



CITY OF NEW ORLEANS

**2014 Budget Proposal**

*October 15th, 2013*

# 2014 Budget Presentation

- **Background**

- **2013 Results**

- **2014 Budget Challenges**

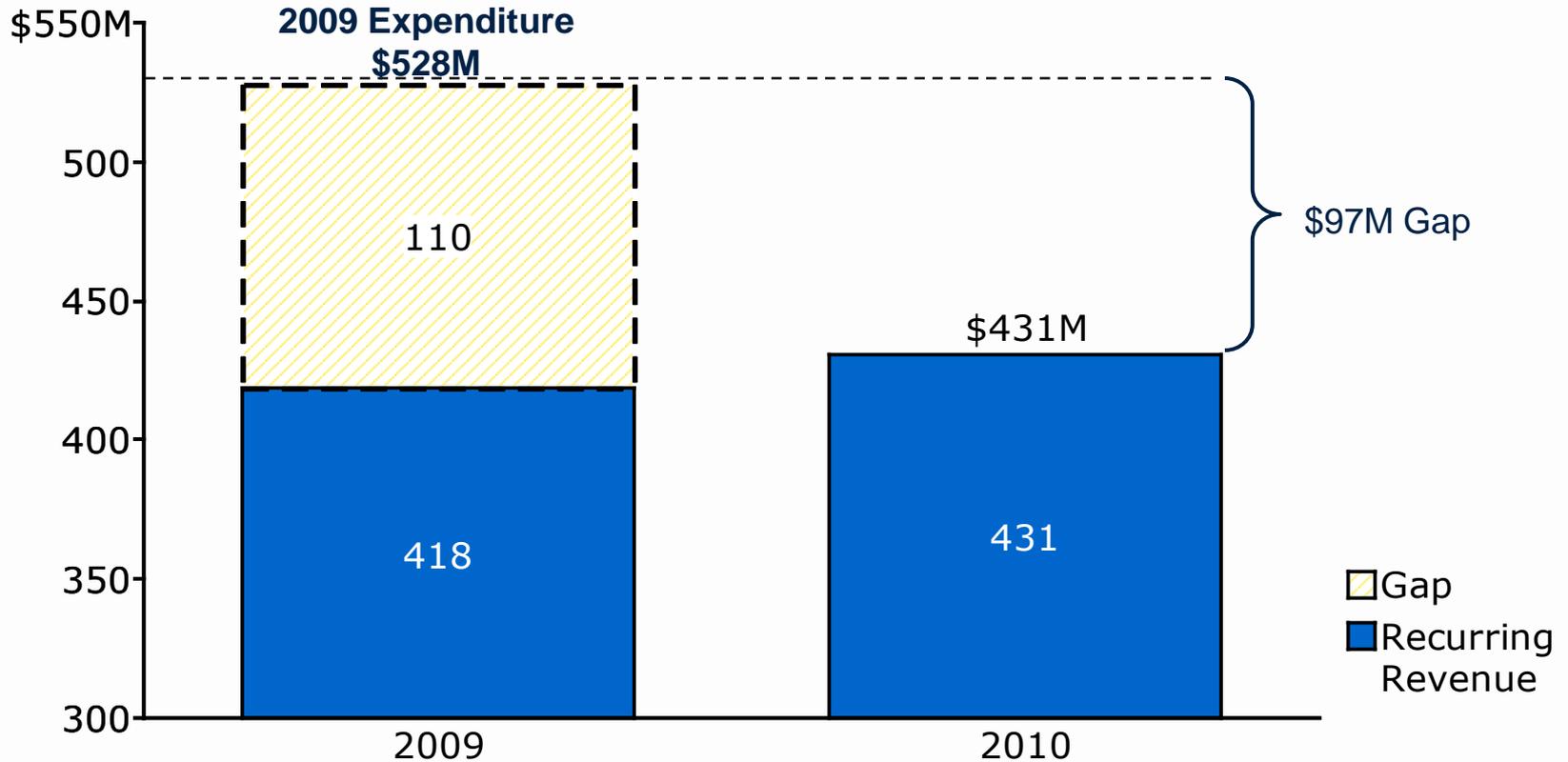
- **2014 Budget Proposal**

- **2014 Budget Highlights**



# The Landrieu Administration addressed an inherited \$97M spending gap

## Budget Comparison

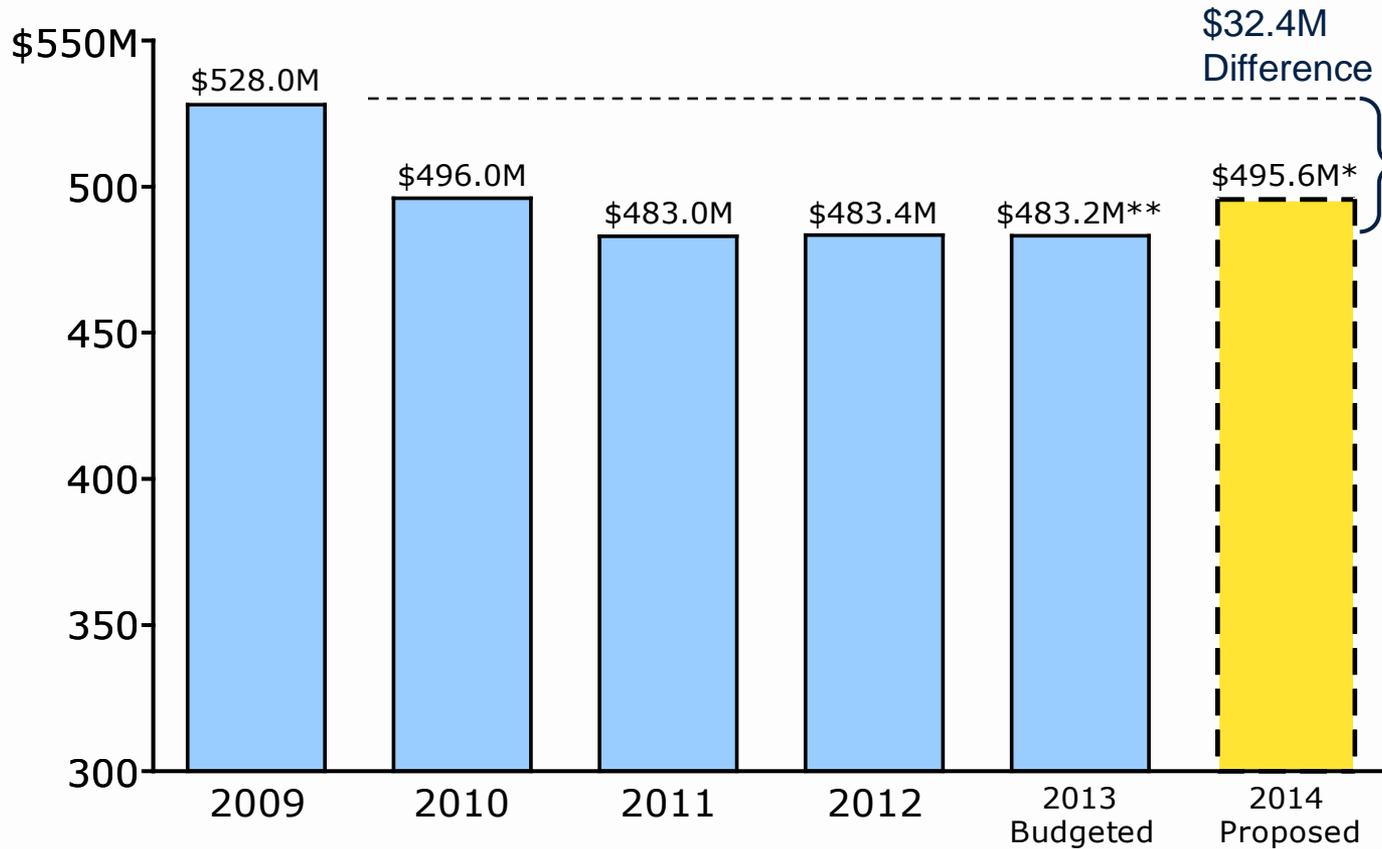


*Note: One-time revenue sources not included in chart*



# First step to eliminating gap was to reverse the spending trend

Annual Expenses



\*= \$495.6M proposed for 2014 does not include \$8.8M to fund balance. Including fund balance contribution, the City proposes \$504.3M in 2014.

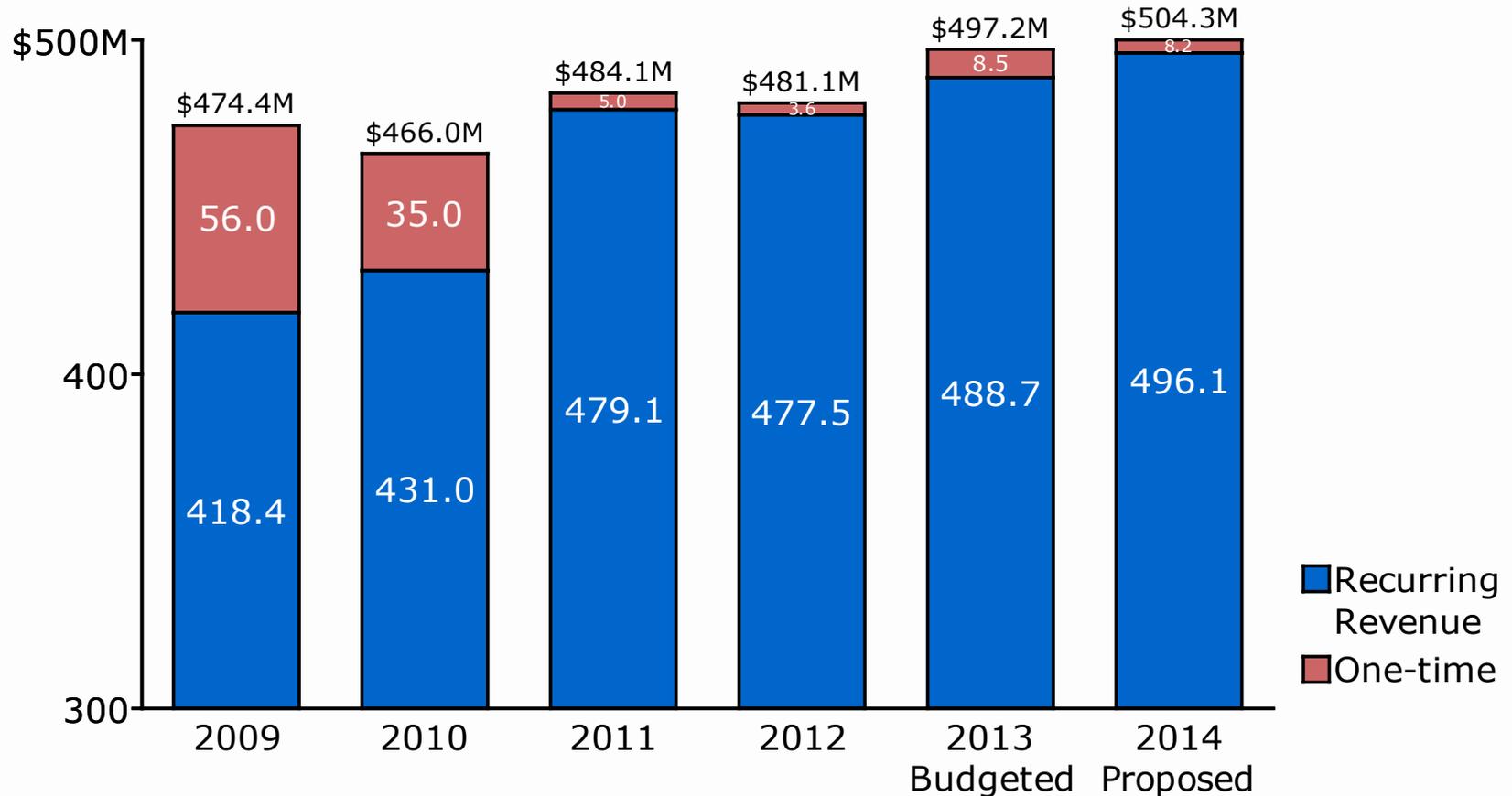
\*\*= \$483.2M budgeted in 2013 does not include \$14.0M to fund balance. Including fund balance contribution, the City's current budget for 2013 is \$497.2M.

Delta to previous year	2009	2010	2011	2012	2013 Budgeted	2014 Proposed
	+\$28.0M	-\$32.0M	-\$13.0M	+\$0.4M	-\$0.2M	\$12.4M



# Second step was to reduce the reliance on one-time monies to balance the budget

Annual Revenue



One-time money as a % of overall budget

11.8%

7.5%

1.0%

0.8%

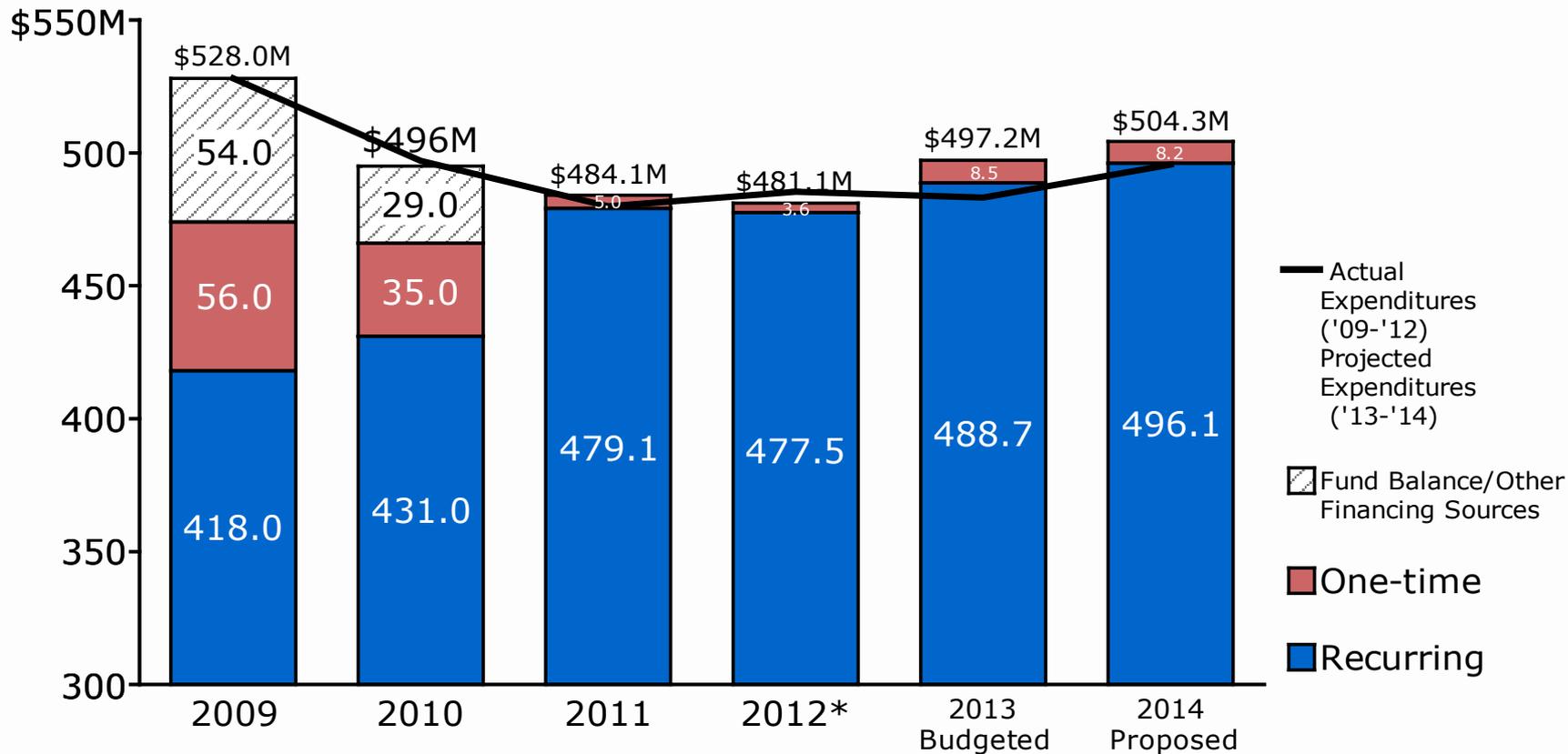
1.7%

1.6%



# We are now living within our means

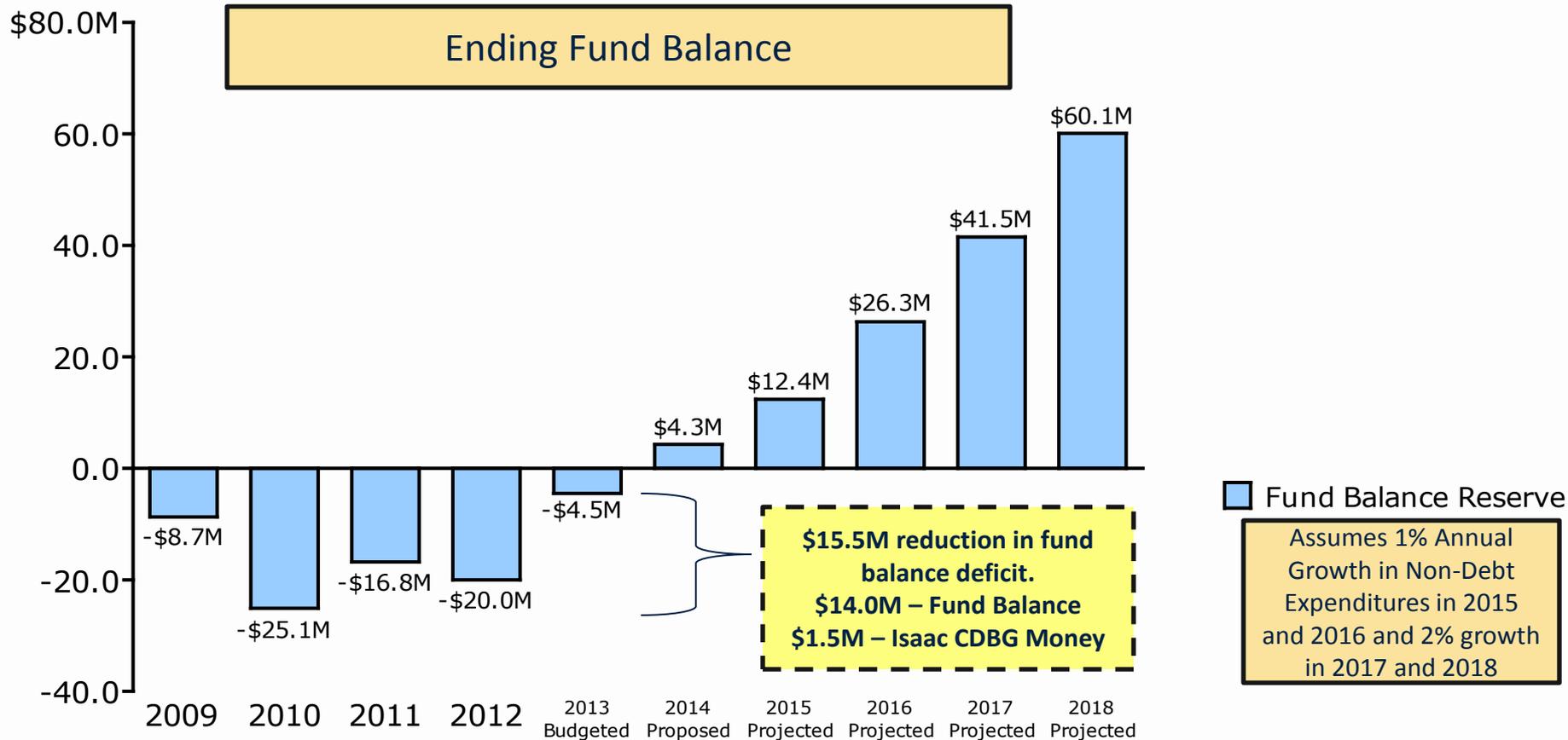
Historical Expense vs. Revenue



2013 Actual Expenditure line does not include \$14.0M appropriation to fund balance as that is not an expenditure on operations. Including fund balance contribution, budgeted \$497.2M in 2013.



# City will nearly eliminate the fund balance deficit in 2013

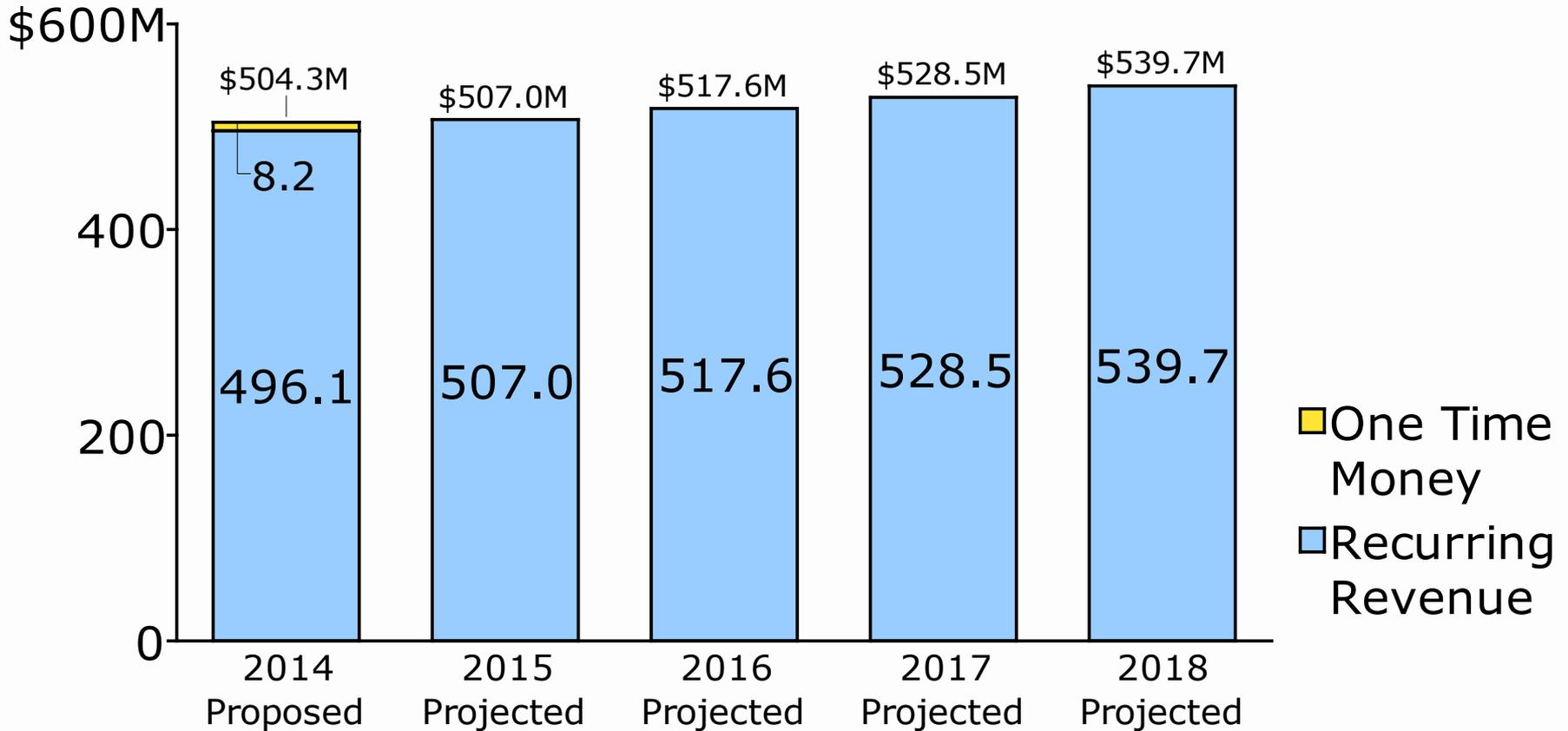


# Modest revenue growth projections pale in comparison to projected expense growth

- \$7.6M growth in GF revenue projected for 2014 (1.5%)
  - 3% growth in Sales and Property Tax projected
  - Sluggish growth of non-tax based revenues (40% of GF revenue)
    - Safety cameras, EMS Billing
- 1.6% projected annual growth of General Fund revenue (2013-2018)
- Debt payments scheduled to increase by \$5.5M in 2014 and \$3.5M more in 2015



# Modest 5 Year Revenue Growth Projected (1.6% Annual Growth)



# Major Financial Accomplishments

- Forgiveness of \$240M worth of CDL loans
  - Substantially improved City's debt posture
- Shifted retirees to Medicare reducing future liabilities from \$350M to \$166M
- Scheduled to reduce negative fund balance by \$15.5M in 2013
- Refinanced pension obligation bonds at lower interest rates, saving money while retaining the same maturation date of 2030
- Won \$11M FEMA arbitration to avoid recoupment of already expended funds
- Made important changes to city, police, and fire pension funds



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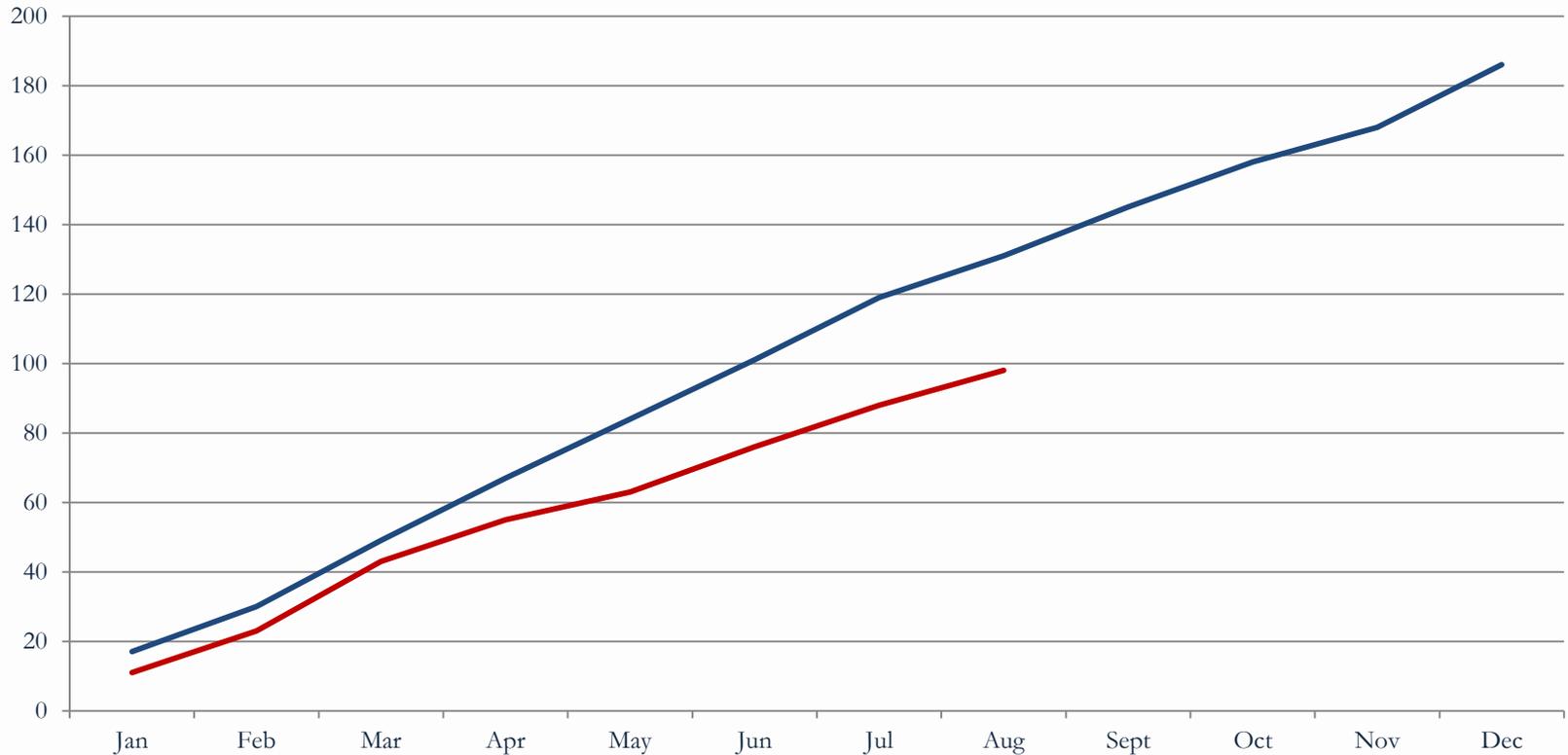
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# Public Safety Results

Murders Citywide (Down 26% from 2012. 111 through September)



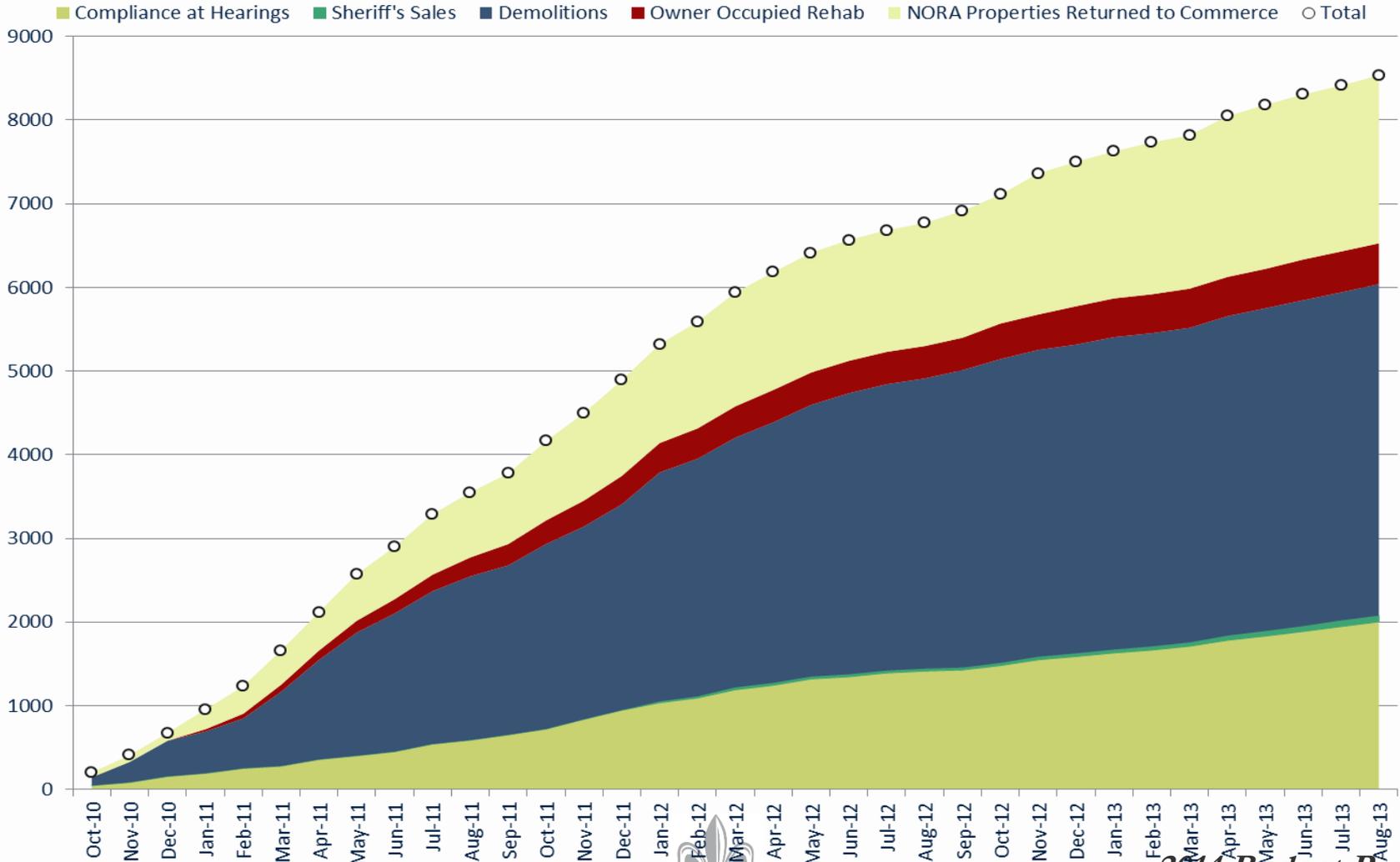
— 2009-2012 Average — 2013 YTD

Note on murders: Totals do not include justifiable/negligent homicides or police shootings.



# Blight Fighting Results

Since October 2010, City Assisted Abatements have Reduced Blight by over 8,500

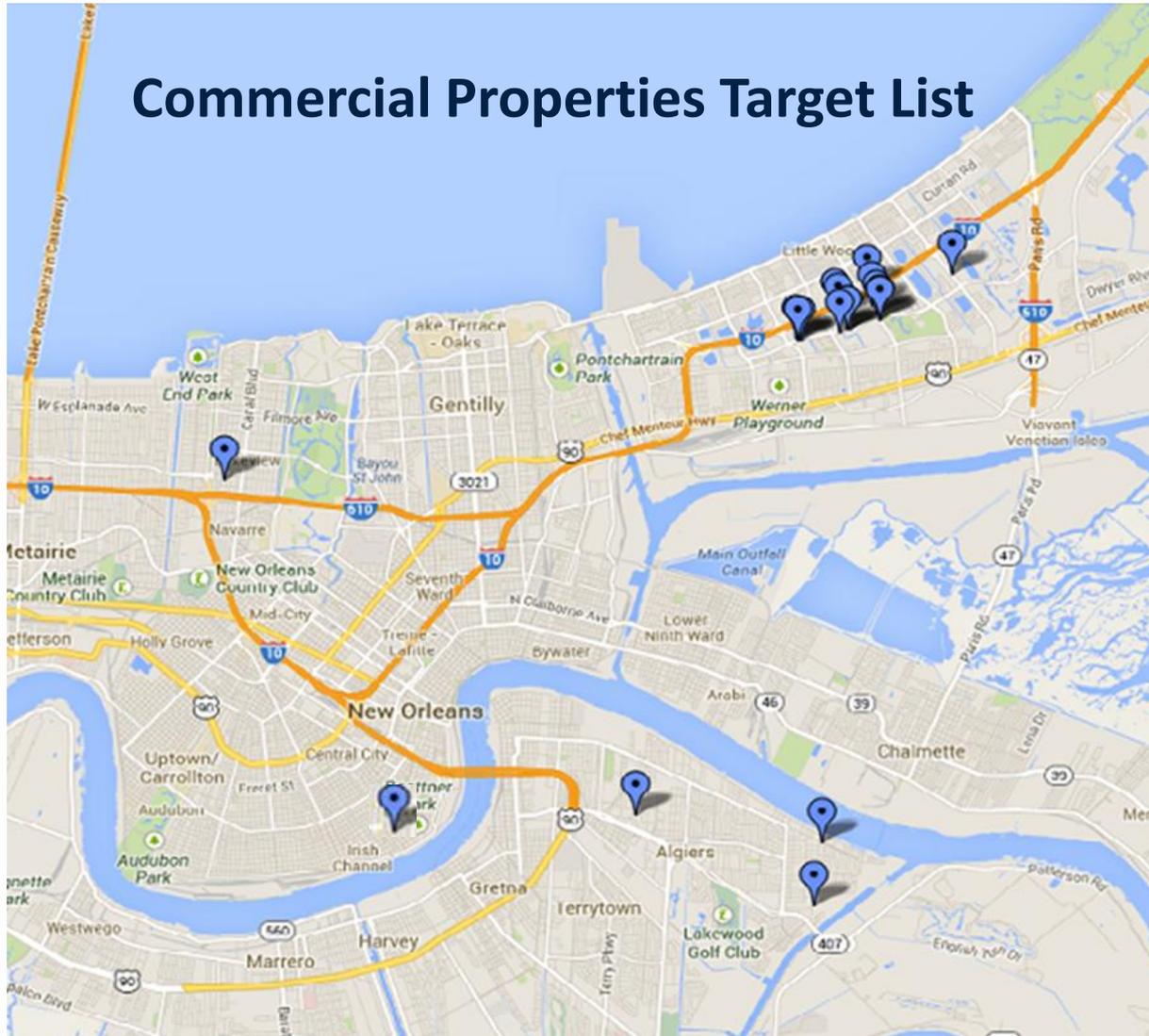


Source: HUD Aggregated USPS Administrative Data on Address Vacancies, GNOCDC 2012



# Blight Fighting Results

## Commercial Properties Target List



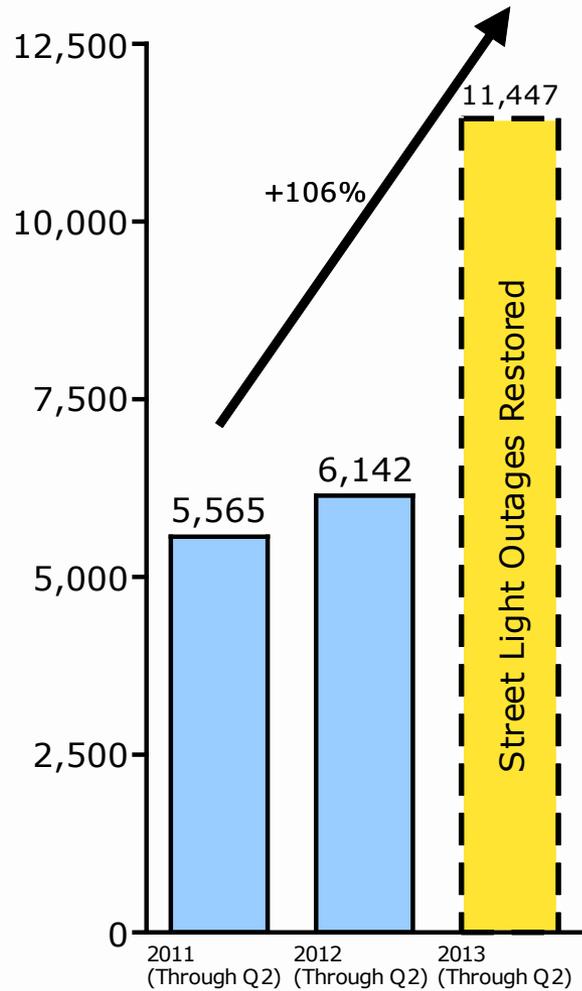
# Blight Fighting Results

## 40 New Soft Second Commitments in September

- Legend
- Soft Second Commitments
  - Place-Based Areas
  - Water Bodies
  - Parks



# Streetlight Results

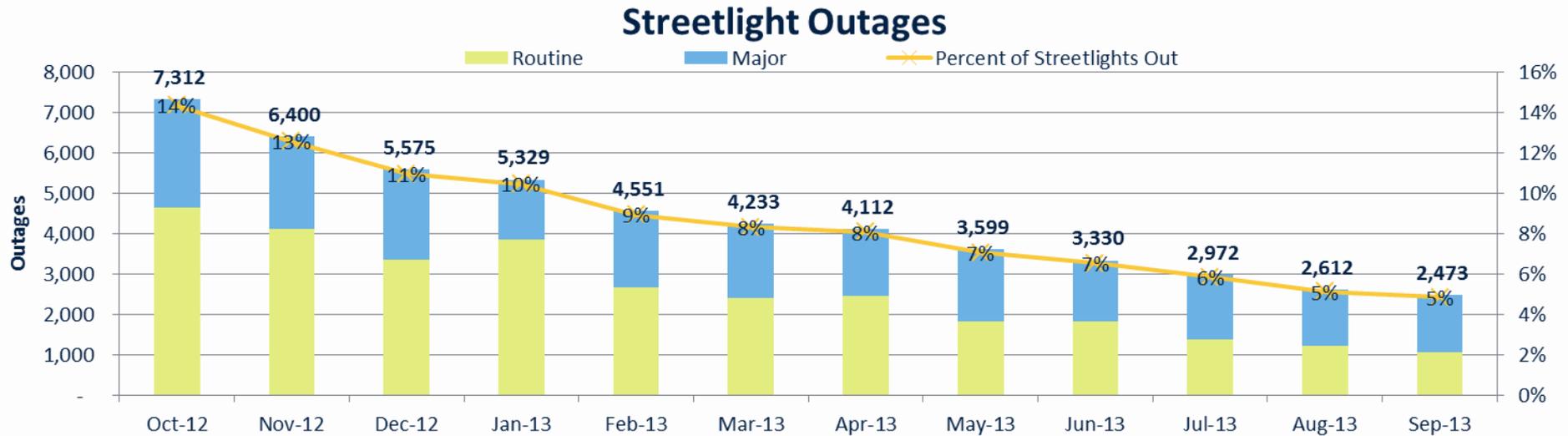


**Streetlight Outage  
Repairs**

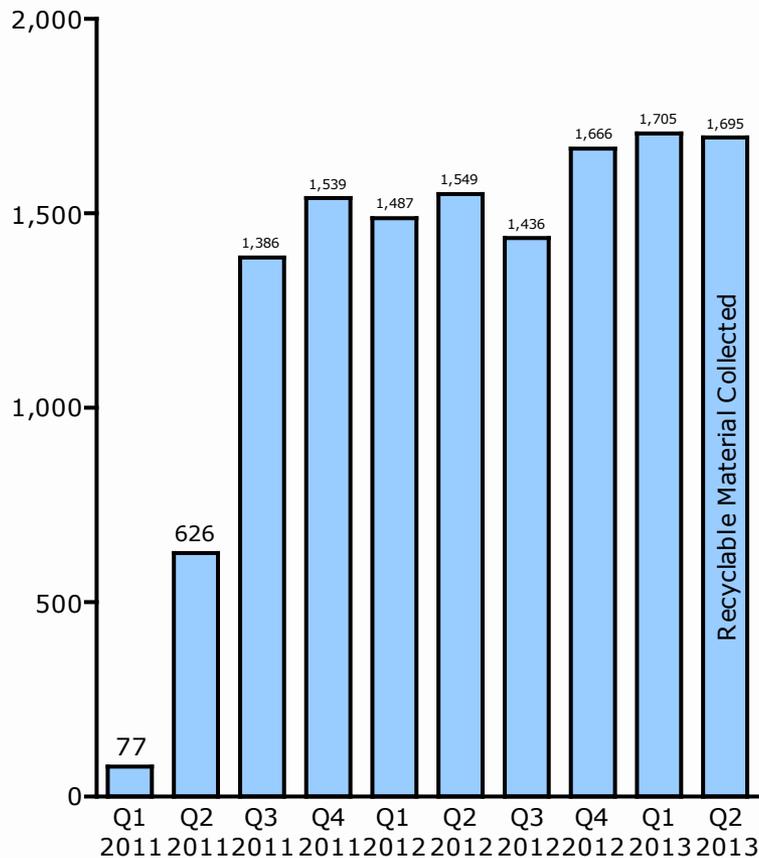


# Streetlight Results

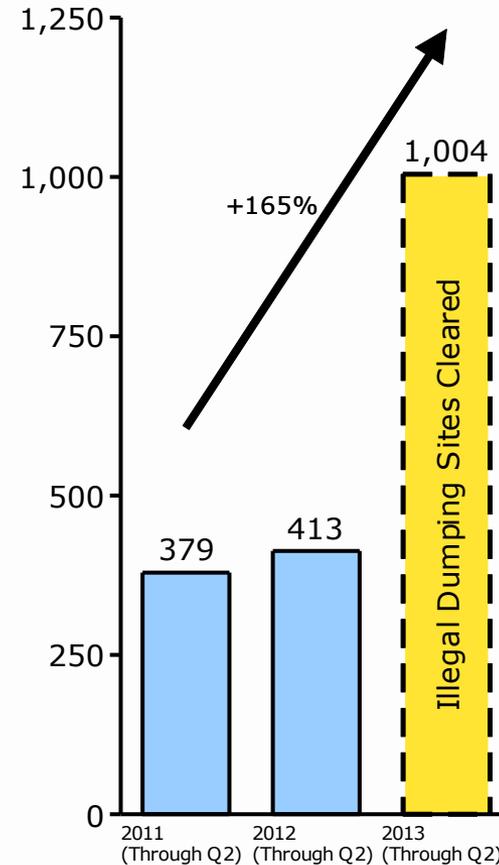
## Fewest Outages Since Katrina



# Sanitation Department Results



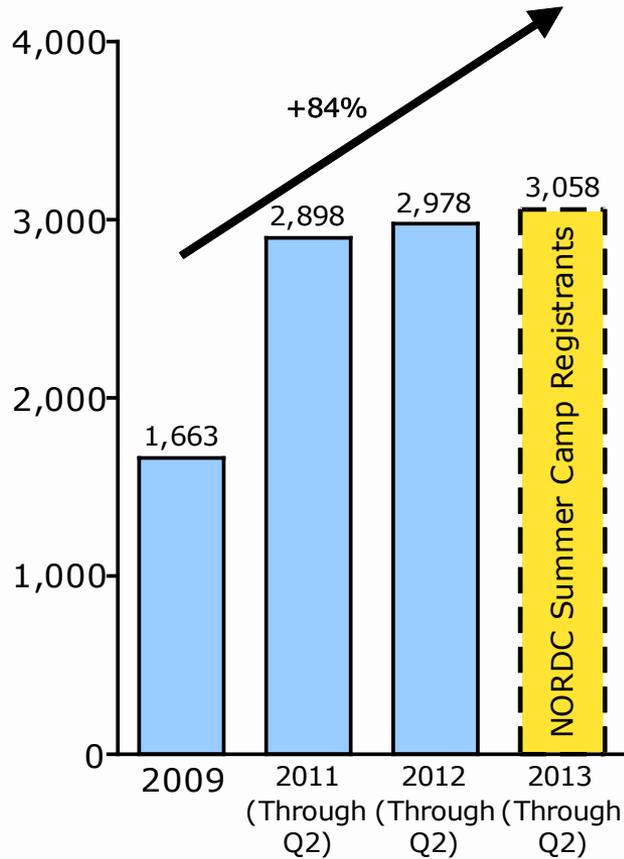
**Recyclable Material Collected (Tons)**



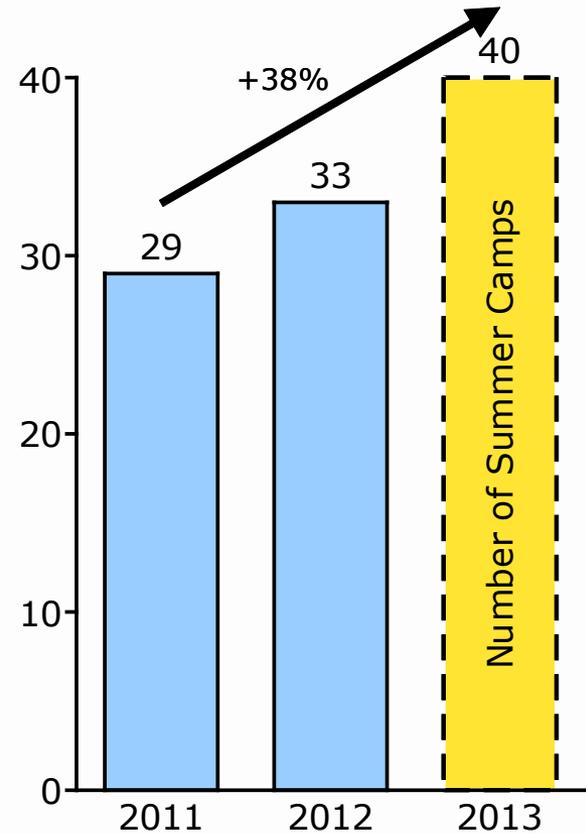
**Illegal Dumping Sites Cleared**



# Recreation & Health Results



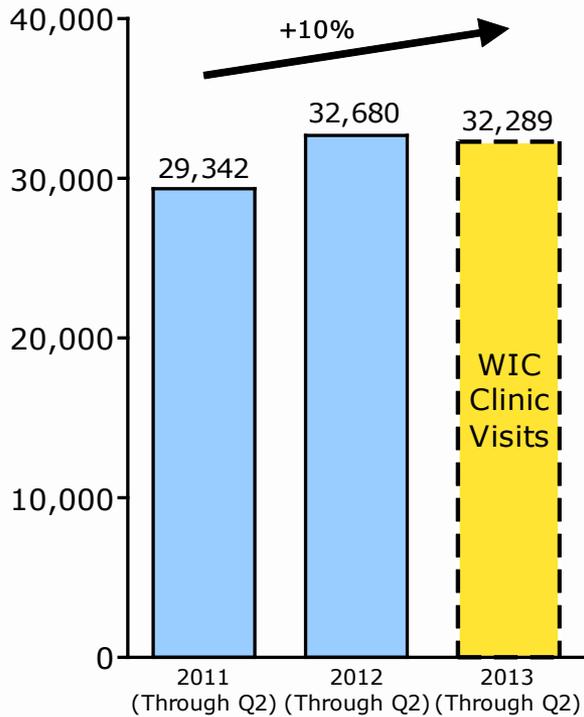
**NORDC Summer Camp Registrants**



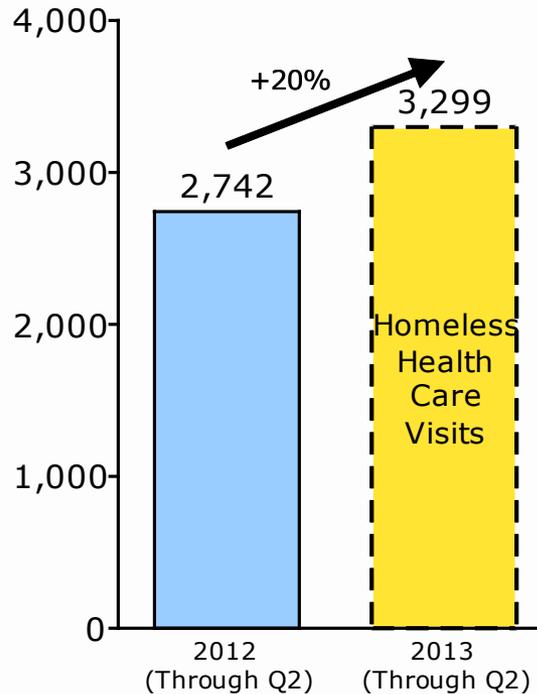
**NORDC Summer Camps**



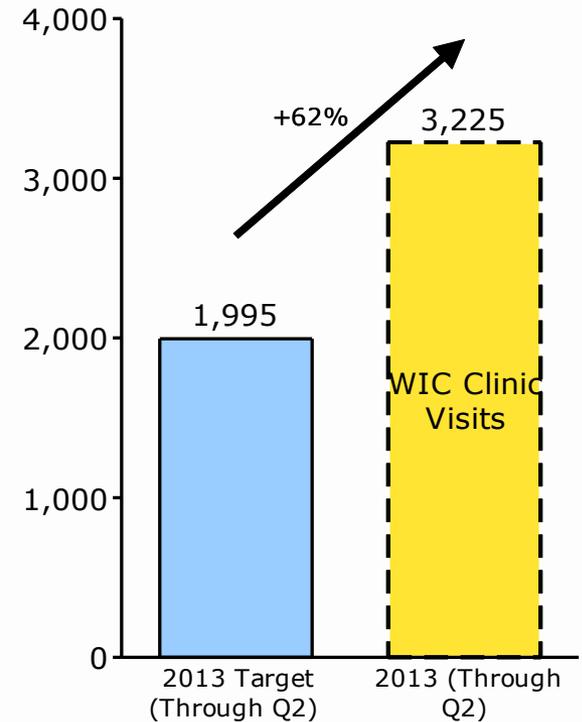
# Recreation & Health Results



**WIC Clinic Visits**



**Homeless Health Care Visits**

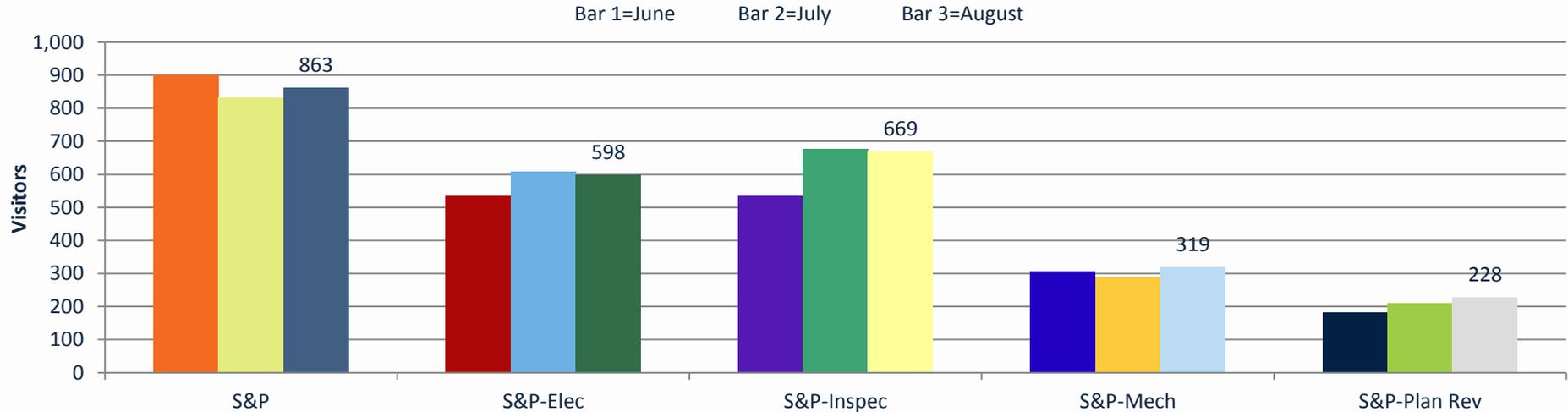


**AIDS clients served**

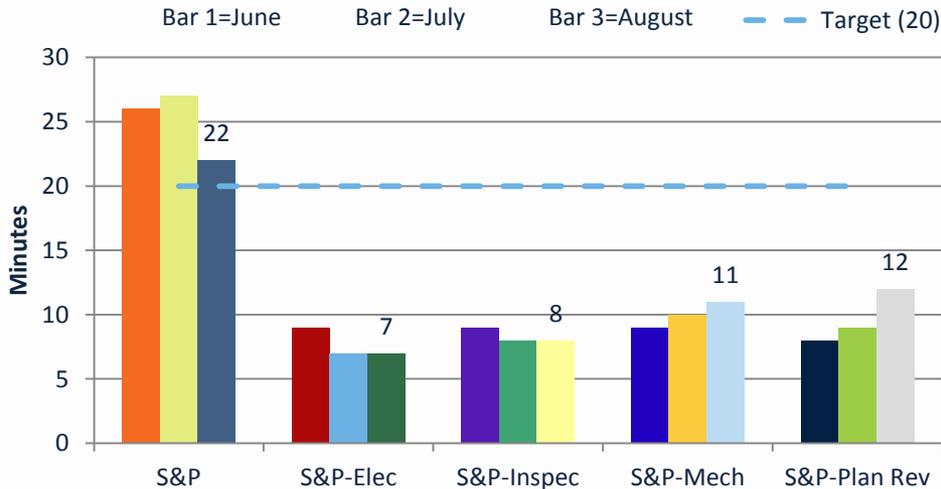


# One Stop Shop Safety and Permits Results

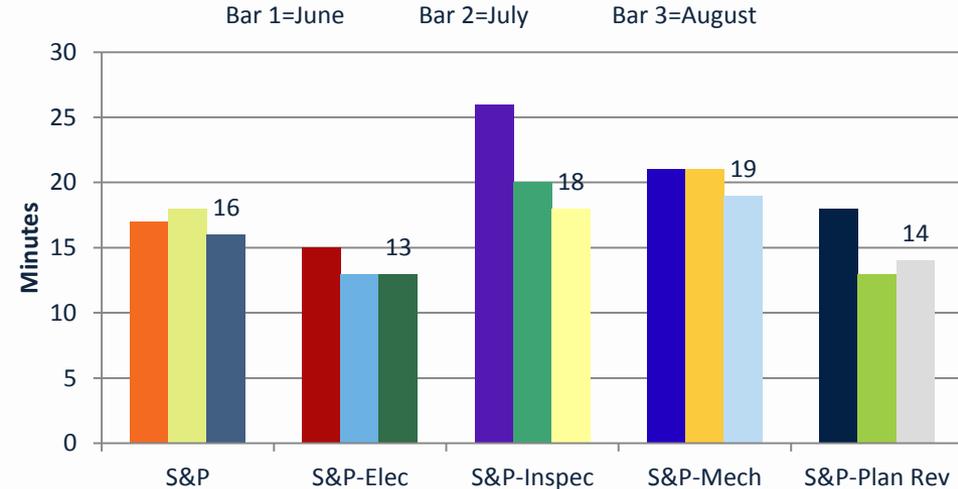
## Number of Visitors at the One Stop Shop



## Average Wait Time



## Average Service Time



NOTE: One Stop Shop Wait Time does not include appointments

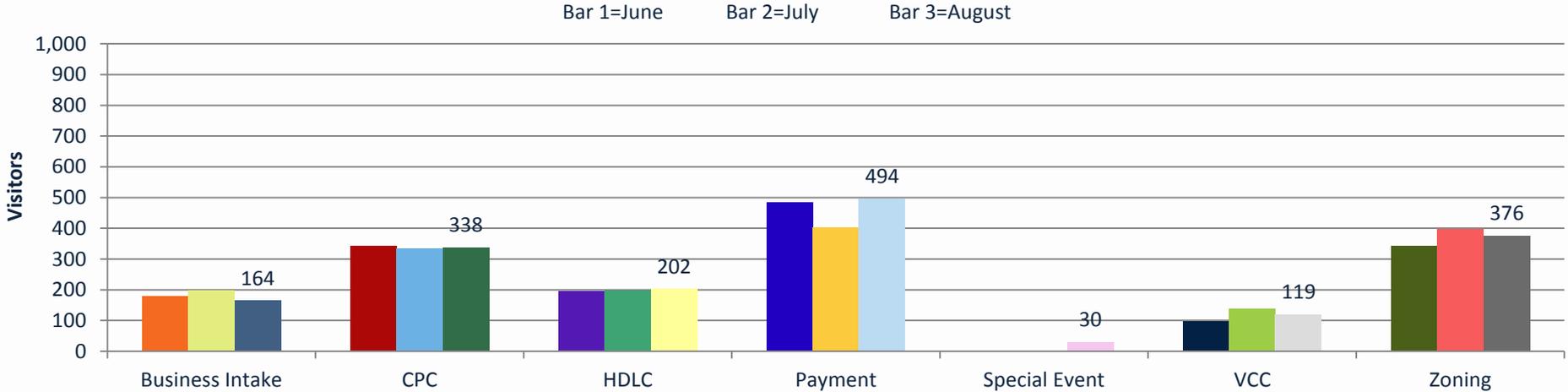


Data Source: Lobby Central for One Stop Shop

2014 Budget Proposal

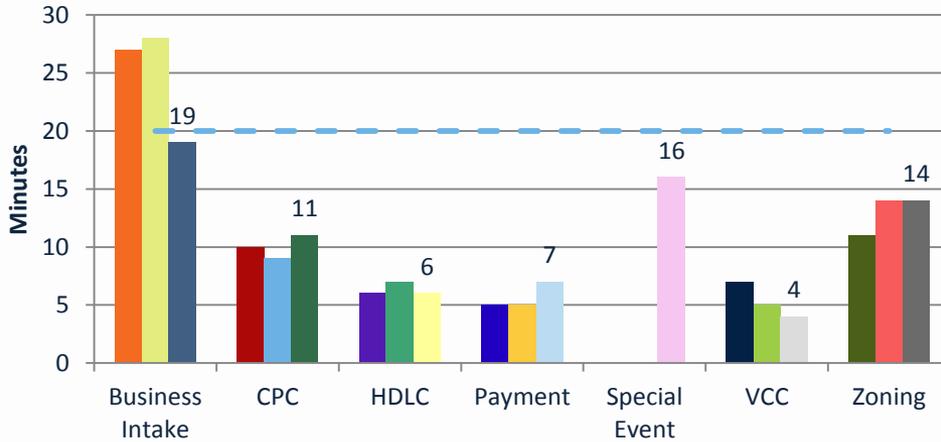
# One Stop Shop HDLC/VCC/CPC Results

## Number of Visitors at the One Stop Shop



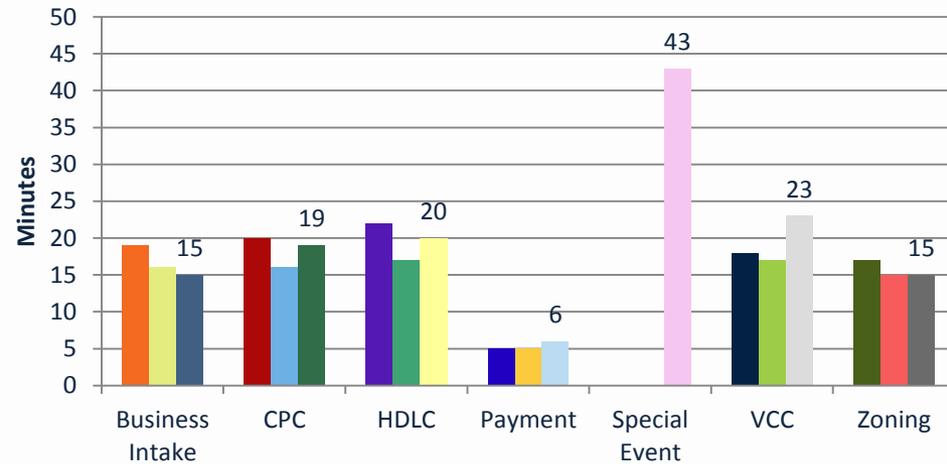
## Average Wait Time

Bar 1=June Bar 2=July Bar 3=August Target (20)



## Average Service Time

Bar 1=June Bar 2=July Bar 3=August



NOTE: One Stop Shop Wait Time does not include appointments



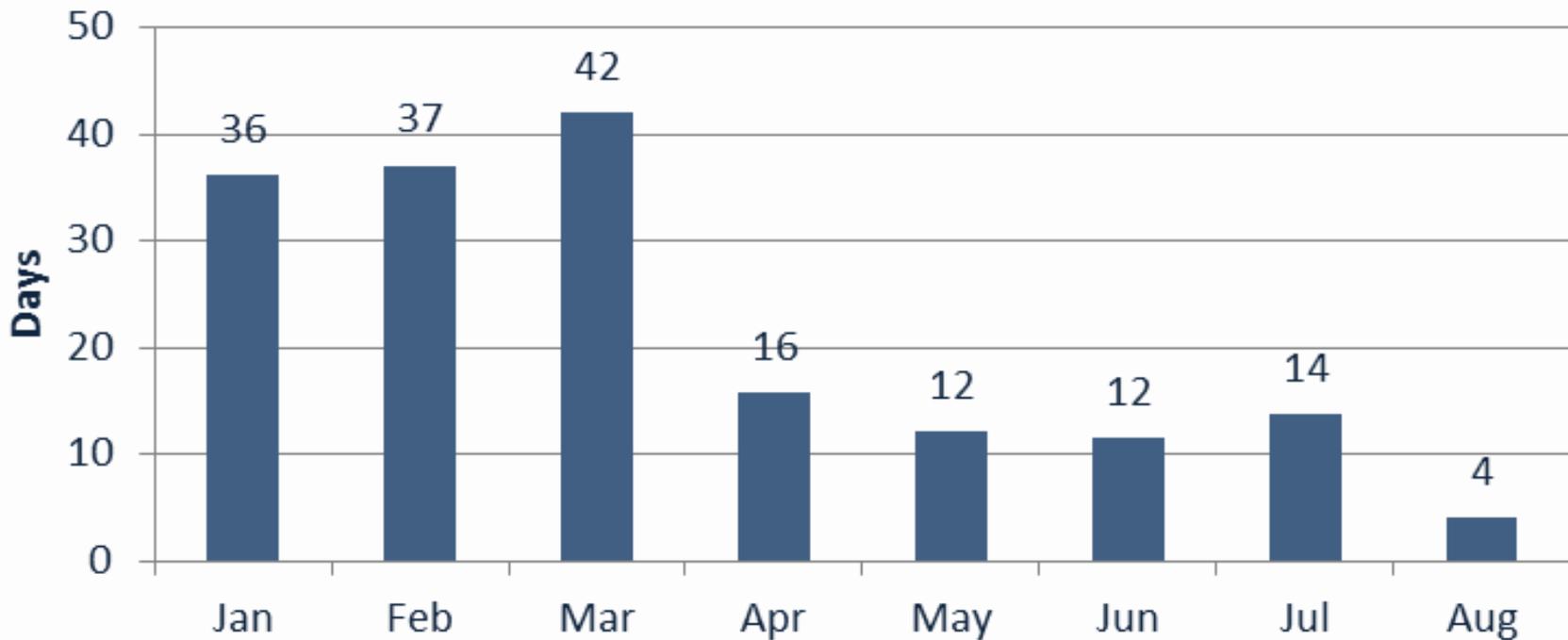
2014 Budget Proposal

Data Source: Lobby Central for One Stop Shop

# HDLC Results

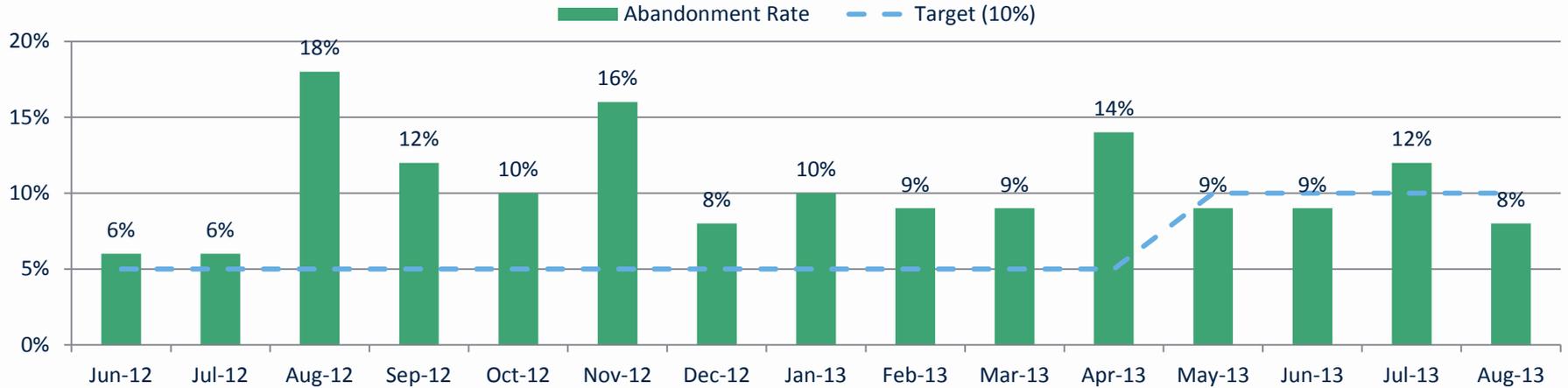
## Key Performance Indicator: Average Number of Calendar Days to Review Staff Approvable Applications

*Responsible Organization: Historic District Landmarks Commission*  
*2013 Target: Establishing Baseline*

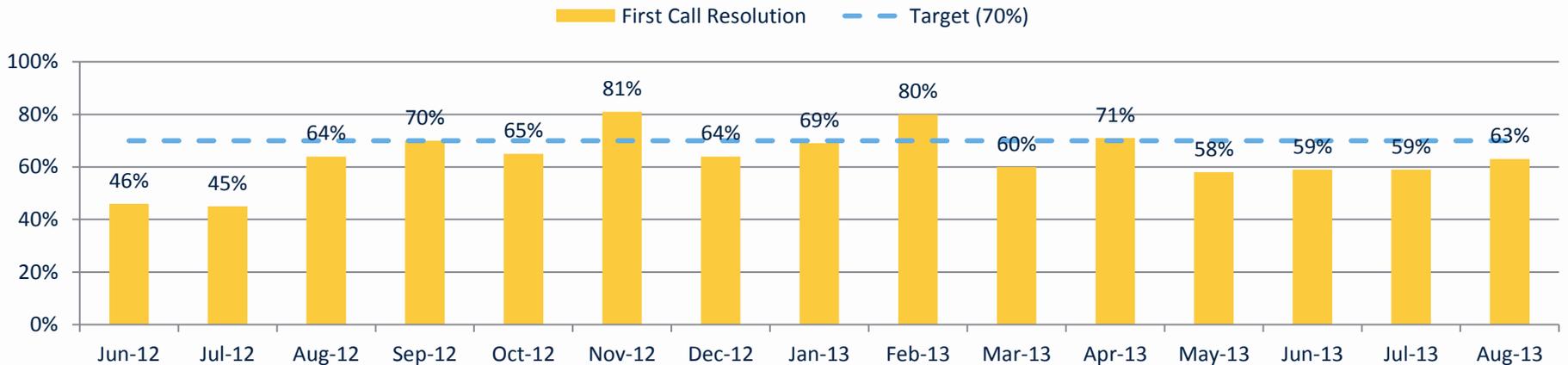


# NOLA 311 Results

## Key Performance Indicator: Call Abandonment Rate for 311



## Key Performance Indicator: Average Monthly Percent of 311 First Call Resolution

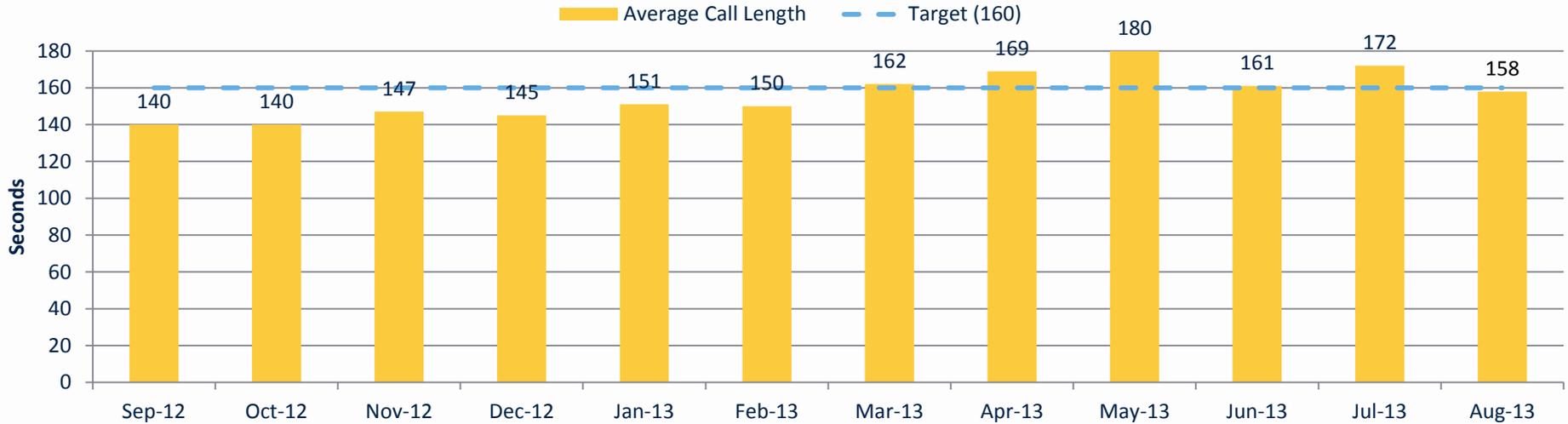


Note: First call resolution includes information requests and undocumented calls. Excludes service requests and department referrals.

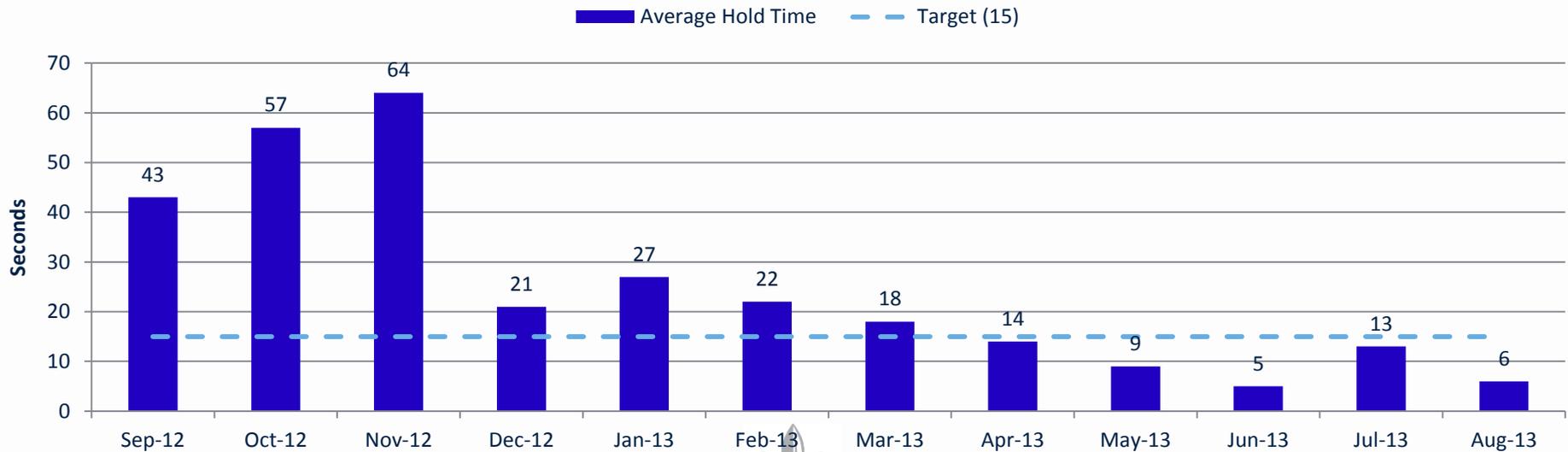


# NOLA 311 Results

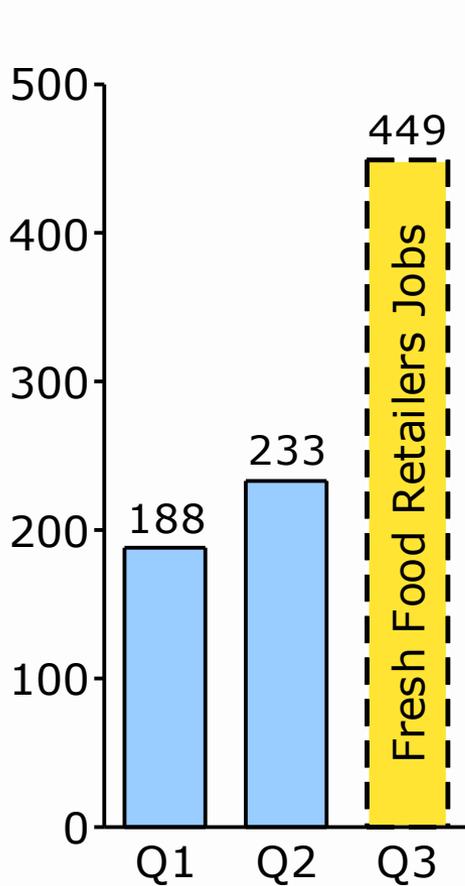
## Average Call Length



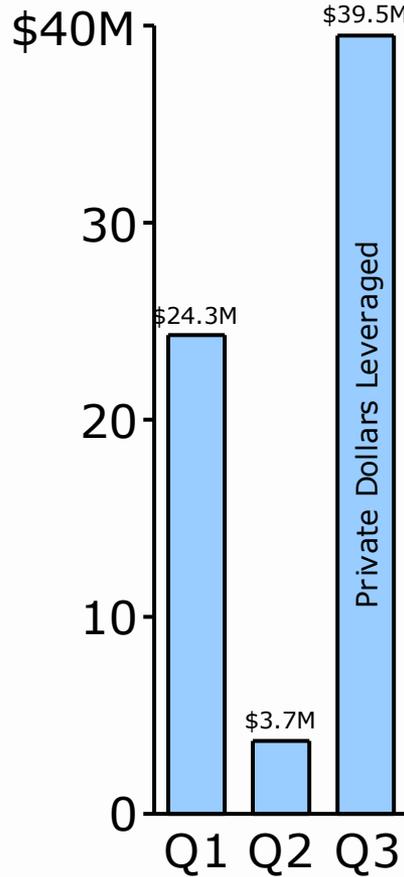
## Average Hold Time



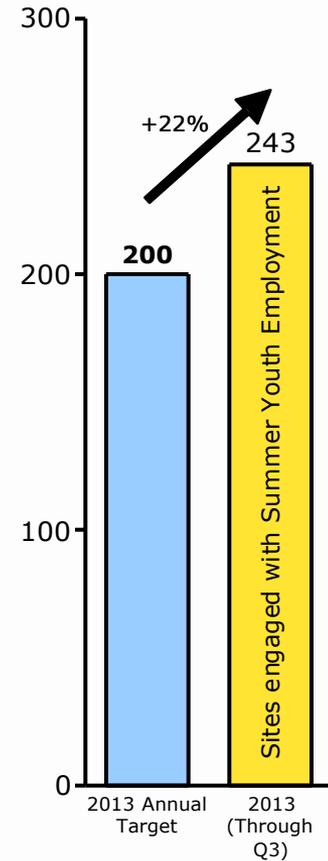
# 2013 Economic Development Results



**Jobs announced through Fresh Foods Initiative**



**Private dollars leveraged to attract and retain business**



**Employee sites engaged with Summer Youth Employment**



# Economic Development Announcements

- GE Capital
- Gameloft
- TCI
- Costco
- Wal-Mart New Orleans East
- Wal-Mart Gentilly
- Mid-City Market
- Whole Foods on Broad Street
- Riverwalk
- Historic Circle Food Store
- Algiers Plaza
- Fresh Market Uptown



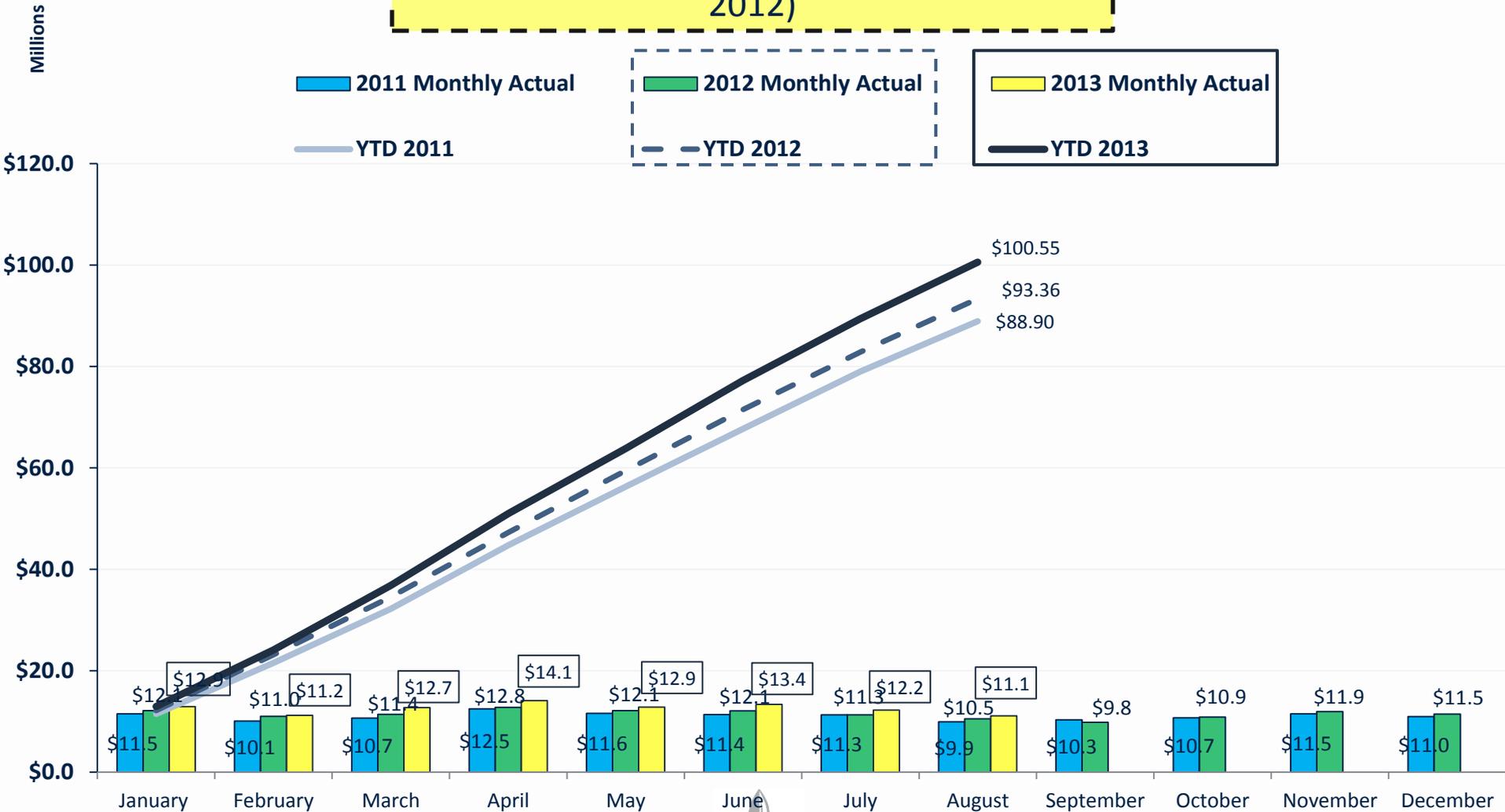
# Collections Results

The value of audits in 2013 has more than doubled from the same period in 2012



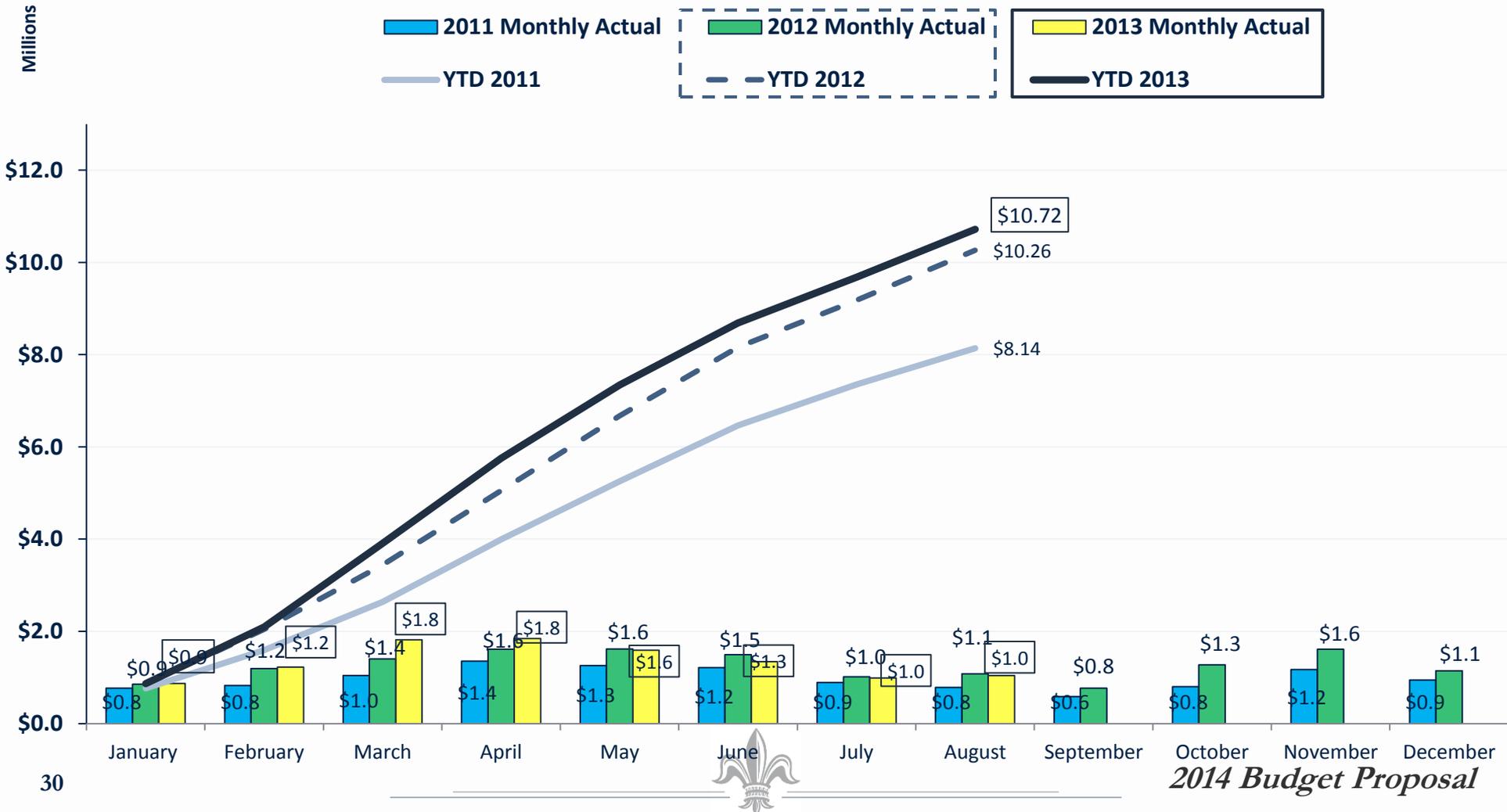
# Collections Results

Sales tax has increased almost 8% (2013 vs. 2012)



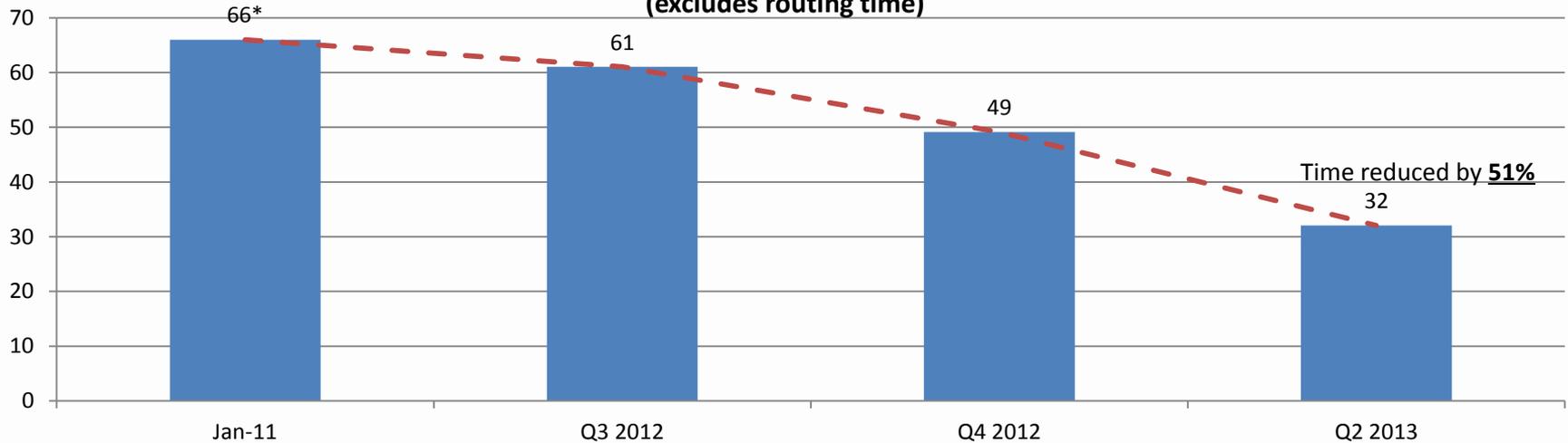
# Collections Results

Hotel/Motel sales tax has increased 4%  
(2013 vs. 2012)

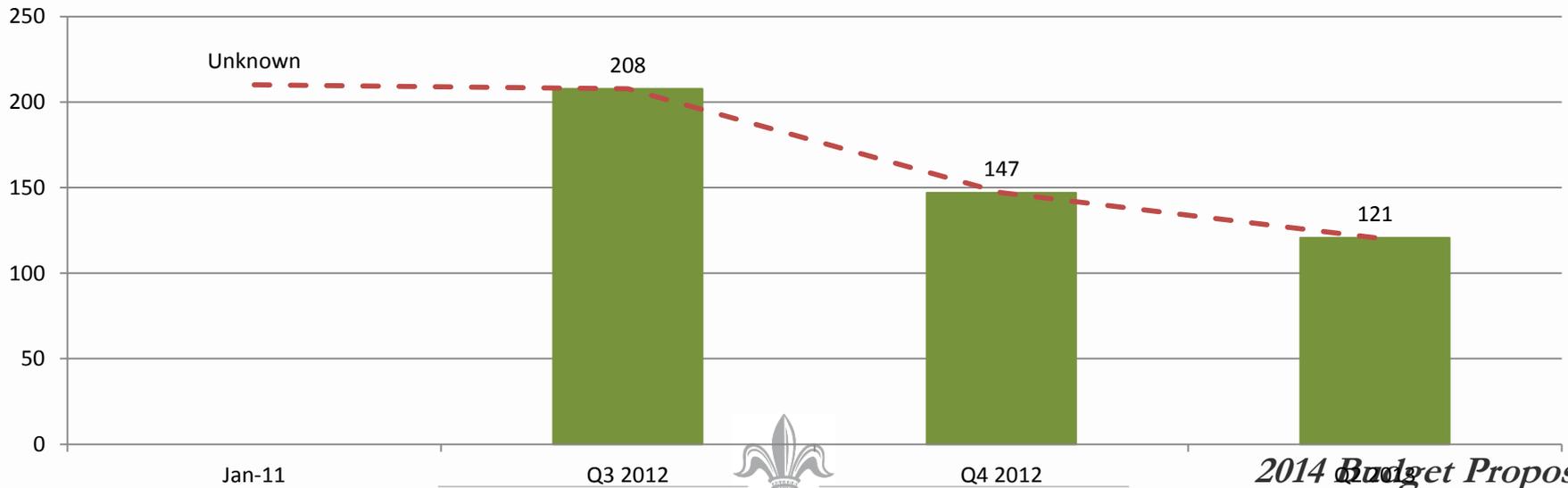


# ReqtoCheck Results

Average Days from Contract Date to Execution  
(excludes routing time)



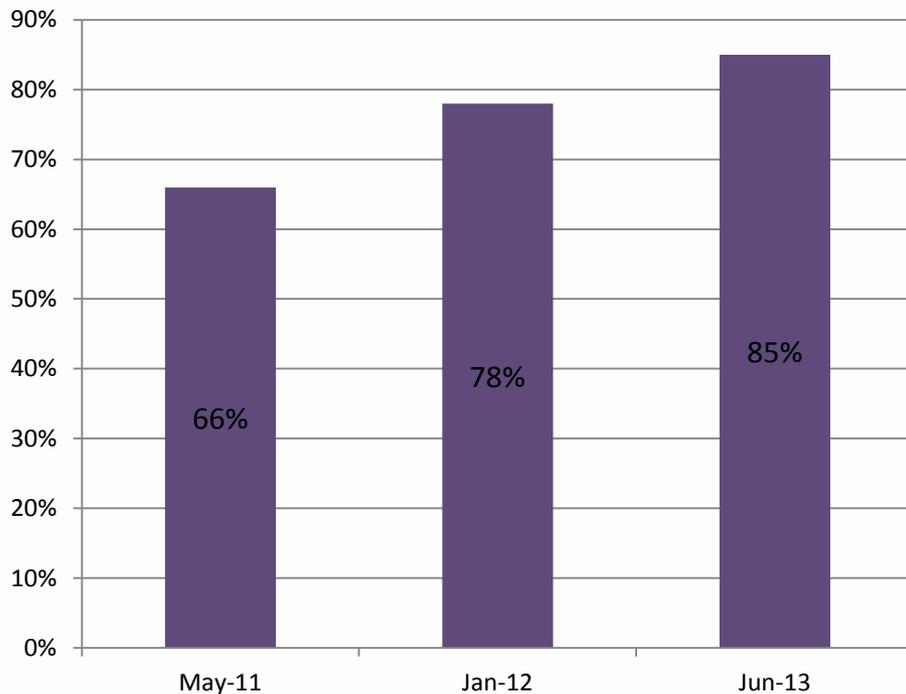
Average Number of Contracts in Queue



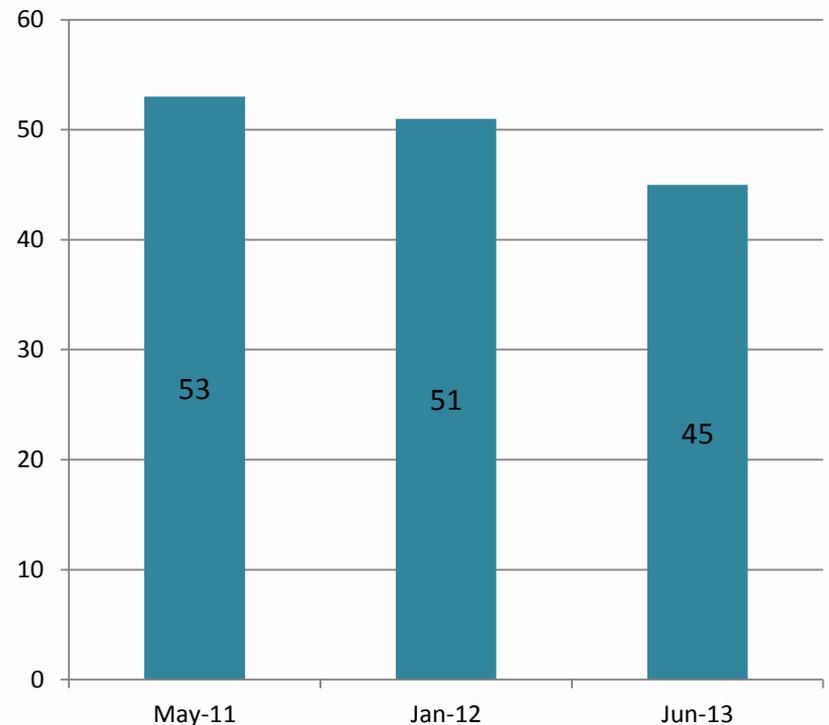
# ReqtoCheck Results

- The City has increased the percent of payments it makes within 60 business days as well as reduced the average number of days it takes to make a payment.

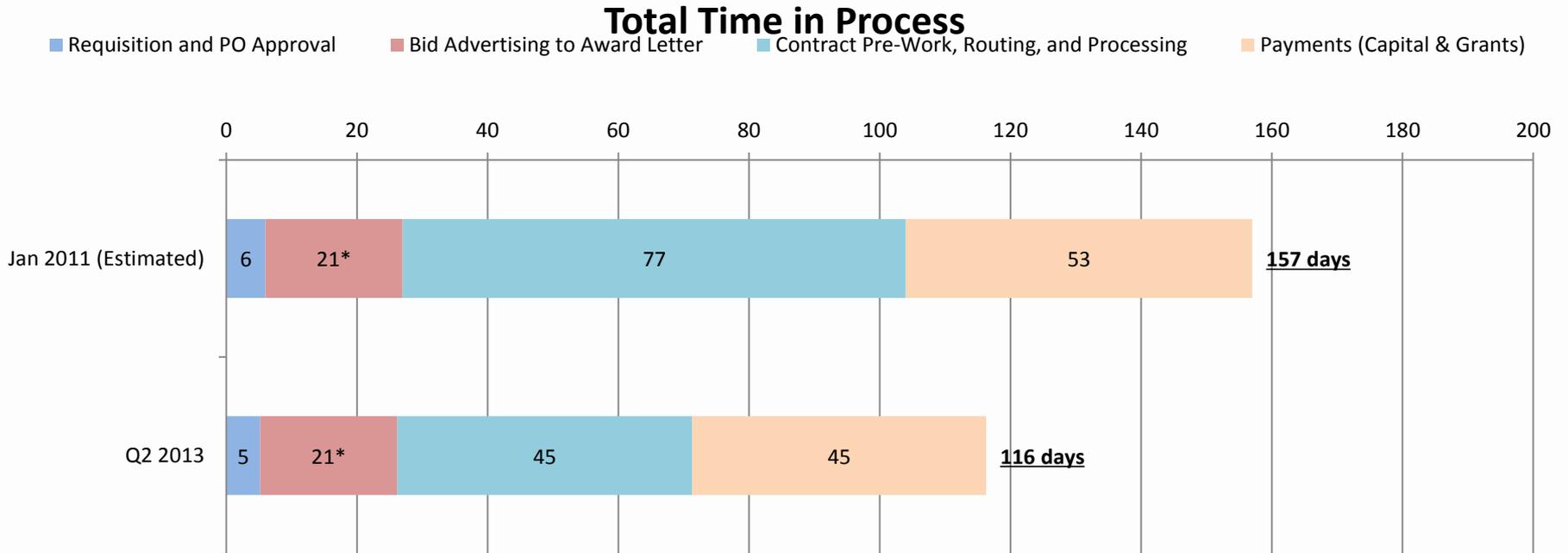
**Percent of Capital & Grant Payments Made within 60 Business Days**



**Average Days to Payment of Capital & Grant from Invoice date to Payment date**



# ReqtoCheck Results



- With contracting times down by 42% and the payment times down by 15%, the entire “req to check” process for bids is down 22%
- Excluding mandatory 21 days for bid advertising and opening, the “req to check” times are down 30%



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# 2014 Budgeting Challenges

- Increase NOPD Strength (\$129.0M)
- Implement two costly Consent Decrees
  - NOPD Consent Decree (\$6.1M)
  - OPSO Consent Decree (?)
- NOFD Pension (\$17.5M)
- Workers' Compensation (\$8.0M)
- GO Zone loan repayment (\$4.9M)
- Launch and ongoing support of new NORF facilities (\$1.3M)
  - Joe Brown, Treme, Lyons (2013)
  - Sanchez Center, Gernon Brown, St. Bernard (2014)
- Increased Entergy costs (\$800k)
- Identify permanent funding source for streetlights



# 2014 NOPD Consent Decree Funding

Consent Decree	Projected 2014 GF	Projected 2014 Capital	2014 Request
NOPD Personnel	\$1,343,477		\$1,343,477
Early Warning System Deployment		\$5,000,000	\$5,000,000
Early Warning System Integration/Maintenance	\$1,400,000		\$1,400,000
Lexipol Policy Development	\$97,950		\$97,950
AVL/Mobile Data Terminal (In car Computer System)	\$68,000	\$318,000	\$386,000
In Car Camera System	\$32,000	\$550,000	\$582,000
On-Body Cameras	\$88,000		\$88,000
2 Year Data Storage		\$300,000	\$300,000
Electronic Control Weapons	\$49,229		\$49,229
Digital Audio Recorders	\$1,200		\$1,200
Training Supplies	\$8,700		\$8,700
Police Monitor	\$2,125,000		\$2,125,000
Citizen Satisfaction Survey	\$250,000		\$250,000
Police Recruitment	\$300,000		\$300,000
<b>Total</b>	<b>\$5,763,556</b>	<b>\$6,168,000</b>	<b>\$11,931,556</b>



# OPSO Proposed Budget Hearings

## Consent Decree

- Consent Decree requirements
- Jail population estimates
- Construction plans

## Financials

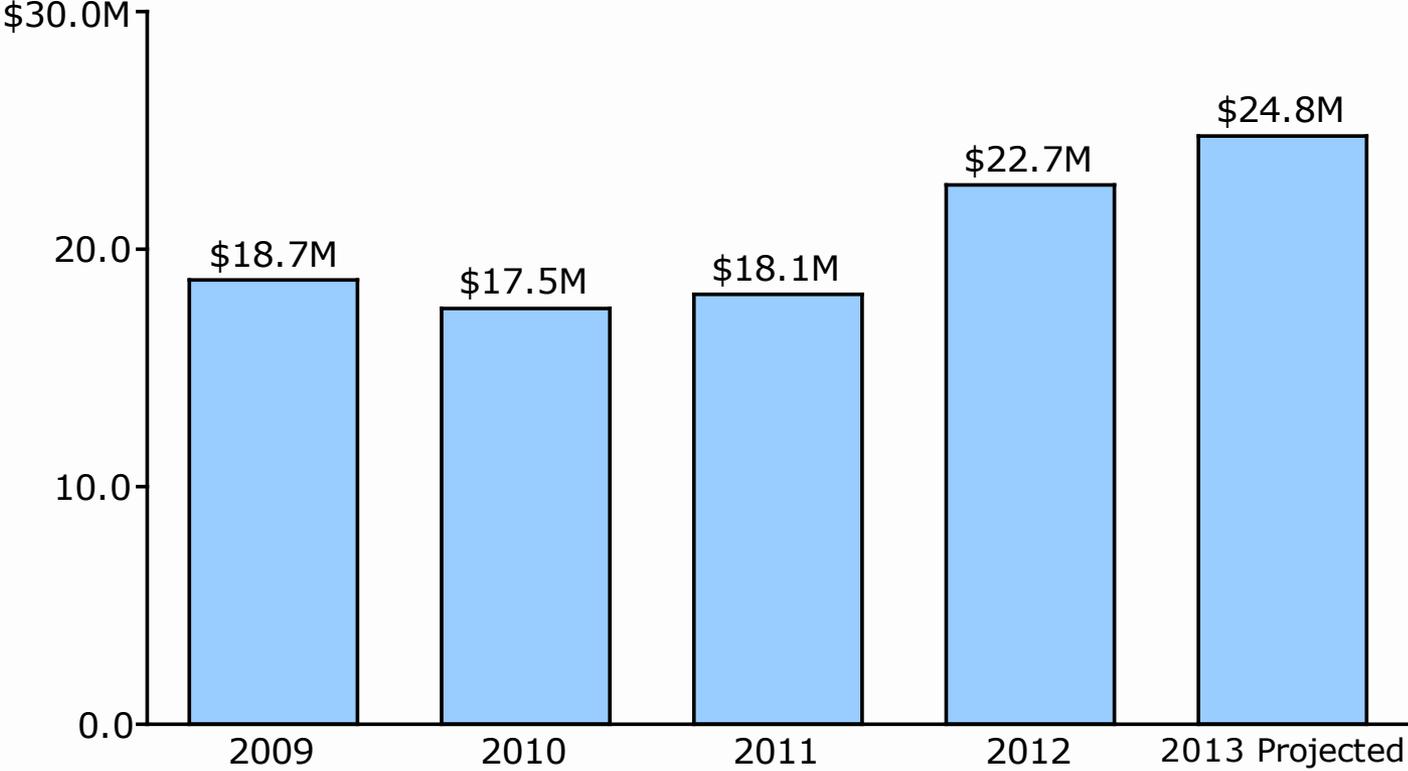
- Inspector General report
- Budget and financial statements
- Current and potential sources of revenue

## Expenditures

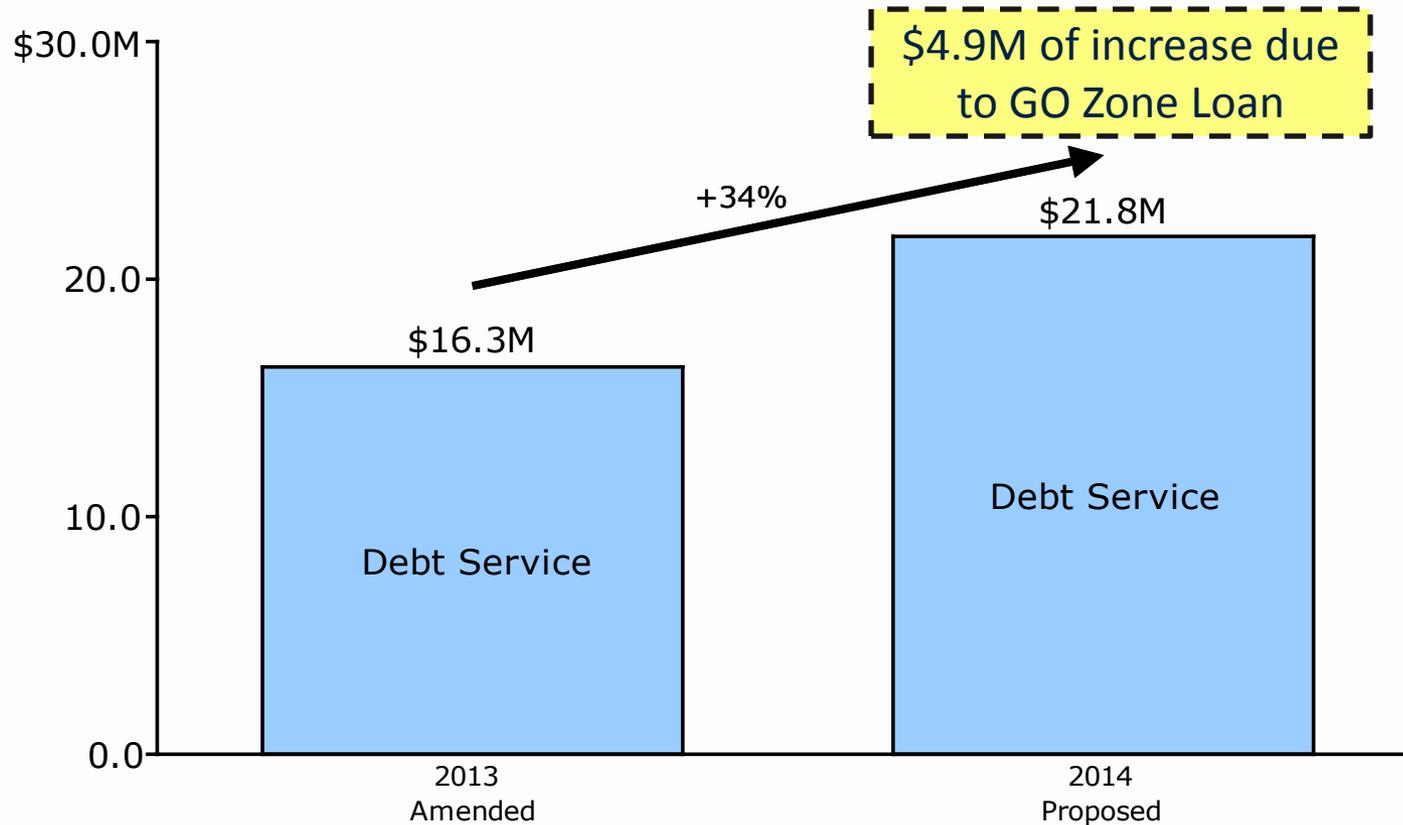
- Compensation and retention data
- Use of overtime
- Non personnel expenditures
- Managed competition for food, health and building security
- Opportunities for consolidation with City services



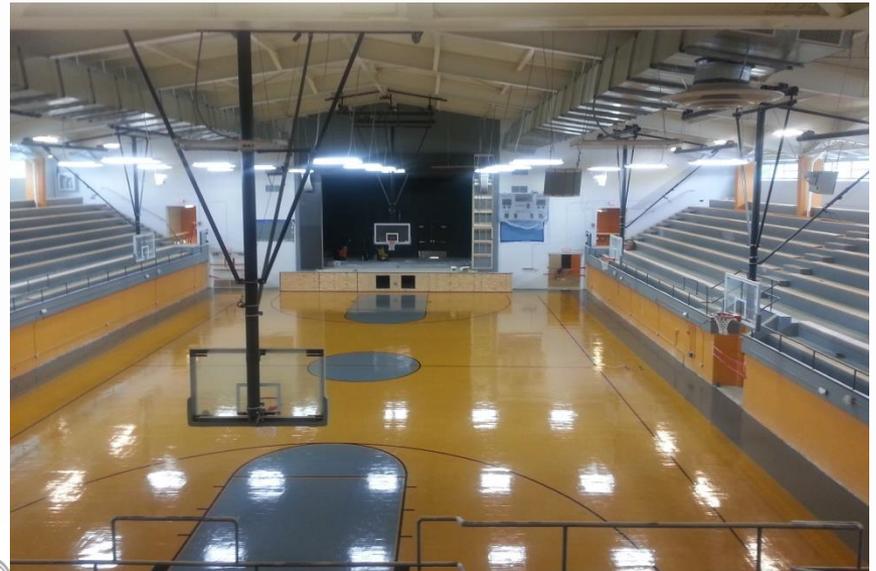
# Workers' Compensation Overview



# Debt payments increase \$5.5M in 2014



# Lyons Center opened in 2013



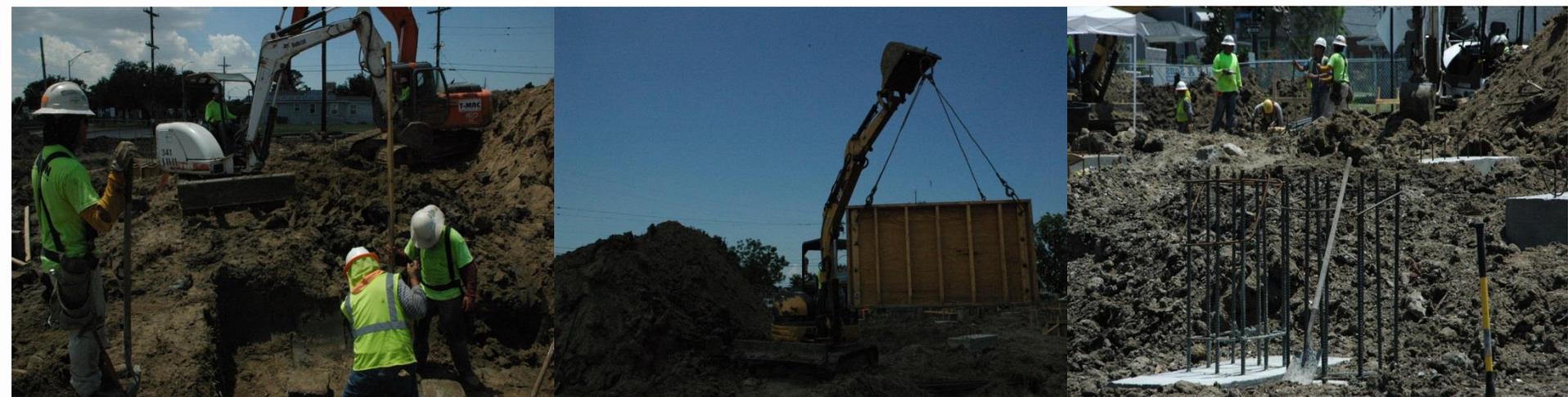
# Treme Center opened in 2013



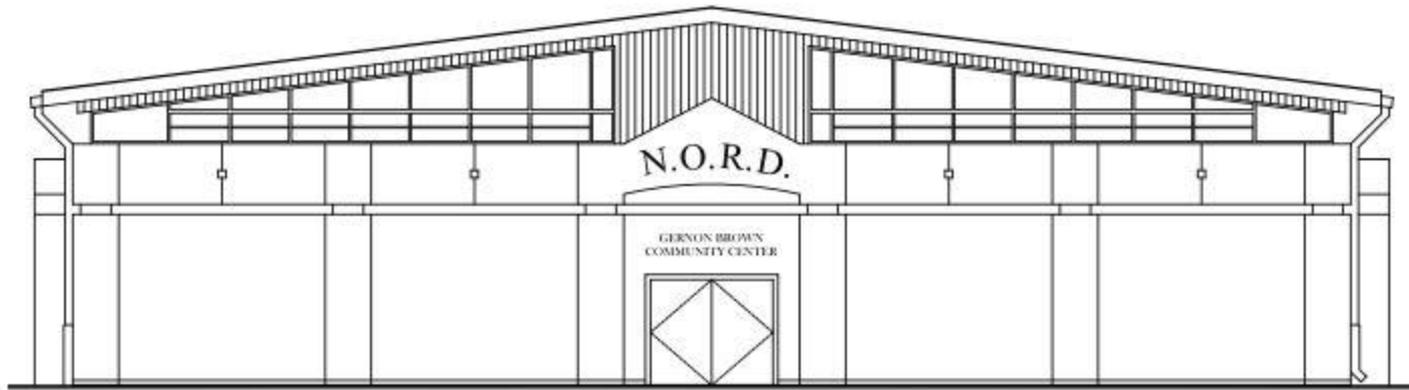
# Joe Brown Center opened in 2013



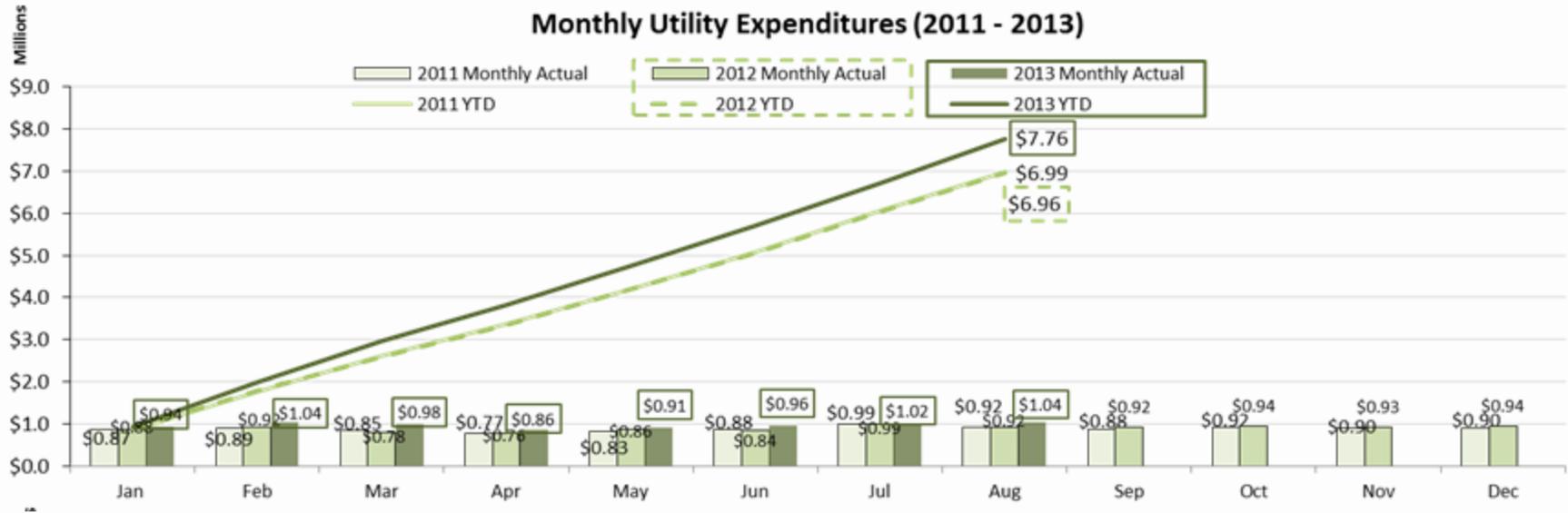
# Sanchez Center & Pool opening in 2014



# Gernon Brown Gym opening in 2014



# Energy costs increase \$800K; Usage Decreases



# Utilize \$14.6M from Entergy for Streetlights



Entergy New Orleans, Inc.  
1600 Perdido Street, Bldg #505  
New Orleans, LA 70112  
Tel 504 670 3680  
Fax 504 670 3615

**Gary E. Huntley**  
Vice President,  
Regulatory and Governmental Affairs  
ghuntle@entergy.com

May 30, 2013

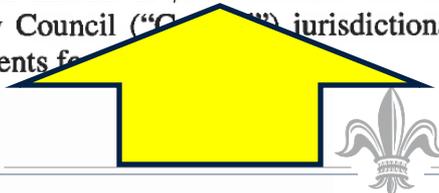
Ms. Peggy Lewis, Director  
Clerk of Council  
Room 1E09, City Hall  
1300 Perdido Street  
New Orleans, LA 70112

**RE: Entergy Services Inc.'s 2013 Rough Production Cost Equalization Adjustment Filing pursuant to FERC Opinion Nos. 480 and 480A; and Council Resolution R-13-162**

Dear Ms. Lewis:

Enclosed please find an original and two copies of Entergy Service, Inc.'s ("ESI") May 30, 2013 filing pursuant to FERC Opinion Nos. 480 and 480A regarding the crediting of Rough Production Cost Equalization Adjustments ("Remedy Payments"). This filing includes the allocation of 2013 Remedy Payments expected to be received by all Entergy retail jurisdictions.

For 2013, Entergy New Orleans, Inc. ("ENO") shall receive Remedy Payments pursuant to the FERC calculation in the amount of \$14.6 million. However, Entergy Louisiana, LLC ("ELL"); and the New Orleans City Council ("NOCC") jurisdictional ratepayers of ELL in Algiers shall not receive Remedy Payments for



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# Proposed General Fund Budget Detail

	2013 Amended	2014 Proposed	% of 2013 Allocation
City Council	\$9,820,916	\$9,820,916	100.0%
Mayor	\$7,097,697	\$6,138,692	86.5%
Criminal Justice Coordination	\$624,059	\$2,021,763	324.0%
Homeland Security	\$2,233,237	\$2,399,809	107.5%
Community Development	\$161,701	\$162,234	100.3%
Chief Administrative Office	\$31,386,300	\$31,639,329	100.8%
IT	\$13,004,883	\$12,043,250	92.6%
Law	\$6,368,617	\$5,946,584	93.4%
Fire	\$84,915,565	\$86,248,045	101.6%
Safety & Permits*	\$4,714,227	\$4,197,439	89.0%
Police	\$126,784,896	\$128,600,368	101.4%
Sanitation	\$37,209,066	\$39,230,811	105.4%
Health	\$1,663,408	\$1,600,338	96.2%
EMS	\$11,764,159	\$11,925,126	101.4%
Human Services	\$2,379,078	\$2,379,078	100.0%

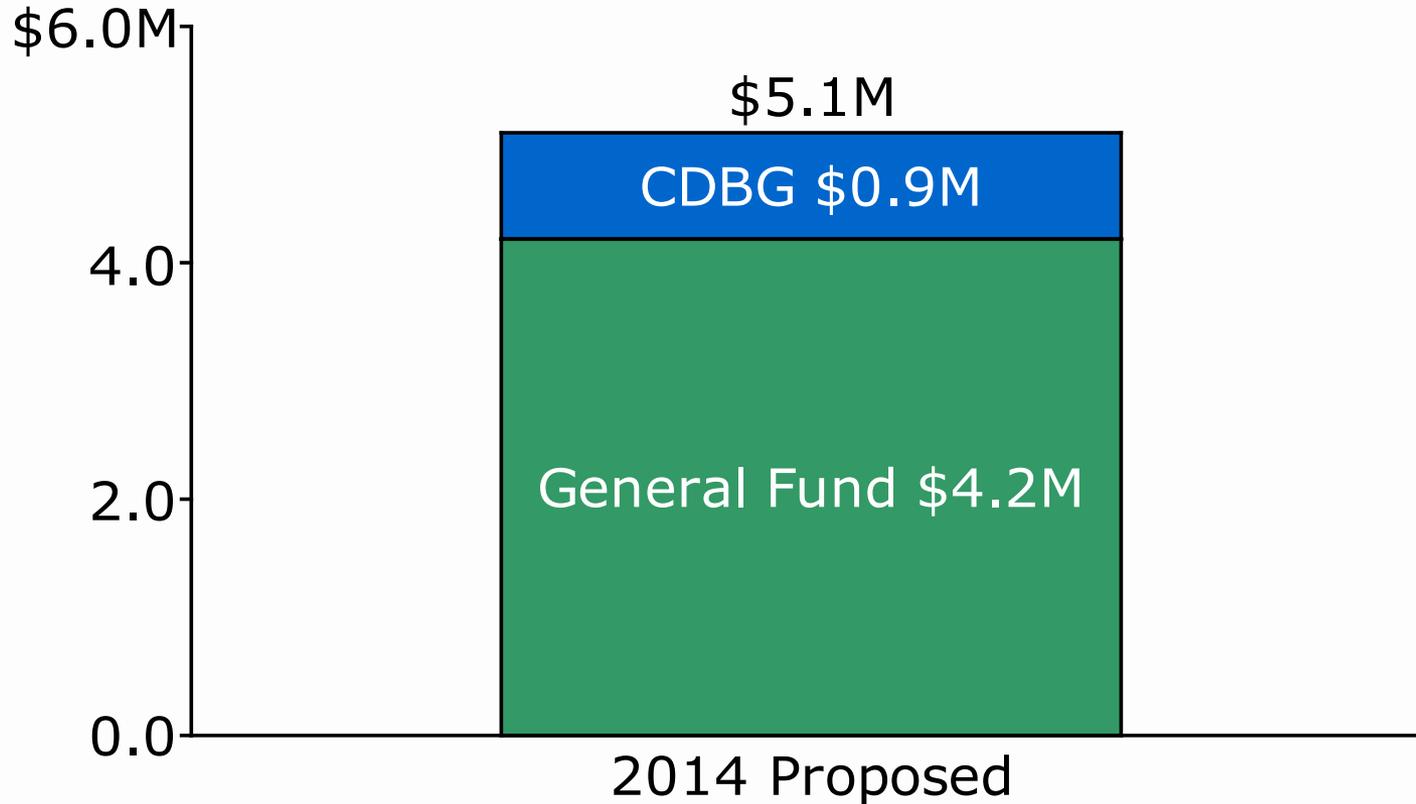


# NOLA FOR LIFE Investments

- **Group Violence Reduction Strategy**
- **CeaseFire New Orleans**
- **CeaseFire Hospital Crisis Intervention Team**
- **Midnight Basketball**
- **Workforce Re-entry Program**



# Additional CDBG funds to Safety & Permits

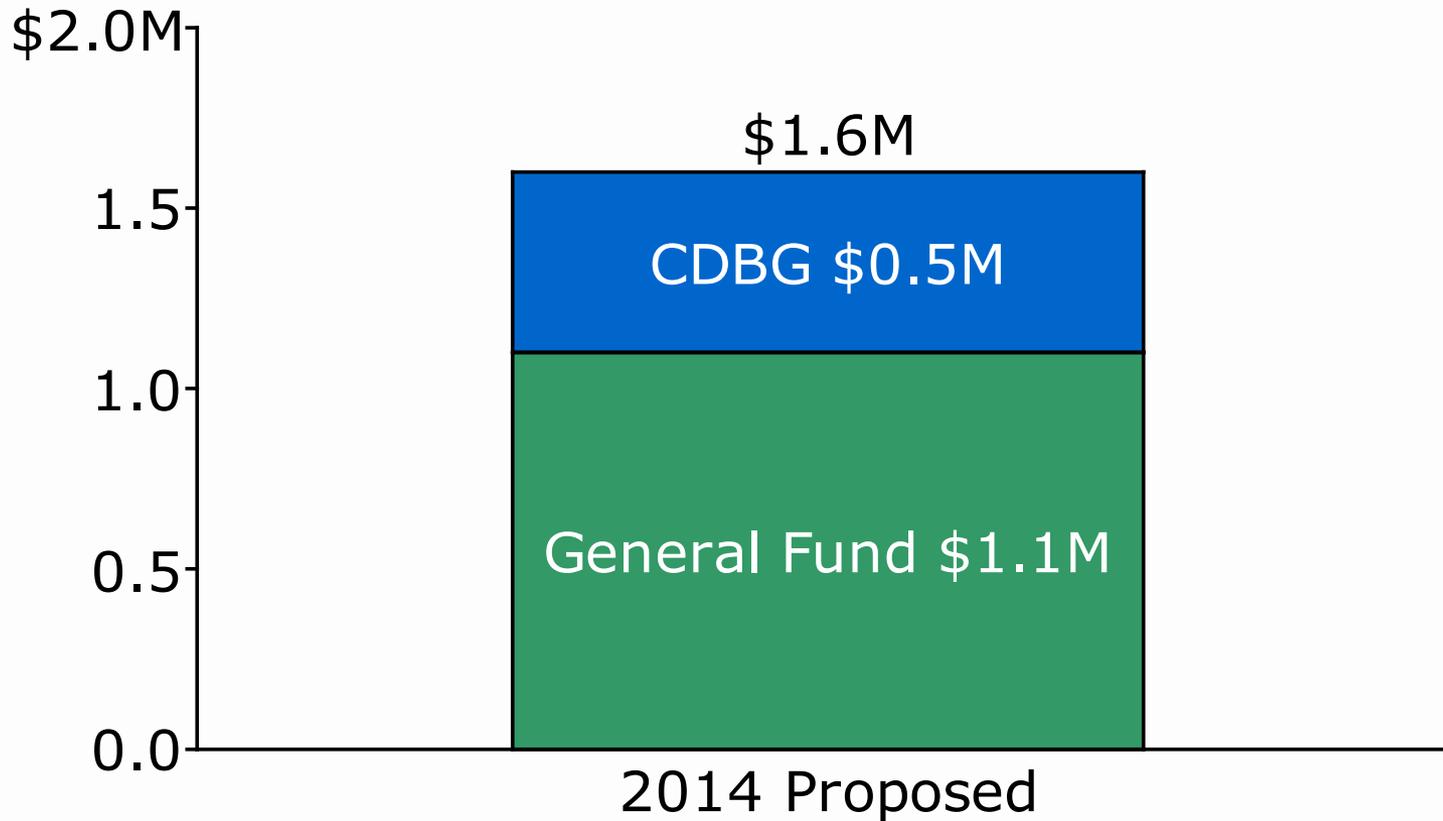


# Proposed General Fund Budget Detail

	2013 Amended	2014 Proposed	% of 2013 Allocation
Finance	\$13,874,308	\$13,420,812	96.7%
Debt Service	\$16,262,905	\$21,784,030	133.9%
Fund Balance	\$14,000,000	\$8,800,000	62.9%
State Pass Through	\$1,961,402	\$2,007,718	102.4%
Property Management	\$6,656,823	\$6,249,885	93.9%
Civil Service	\$1,469,643	\$1,552,076	105.6%
Public Works	\$15,242,280	\$14,965,553	98.2%
Parks & Parkways	\$6,737,667	\$7,071,257	105.0%
HDLC	\$638,095	\$533,981	83.7%
VCC	\$344,831	\$397,232	115.2%
Alcoholic Beverage Control Board	\$1,500	\$1,500	100.0%
City Planning Commission*	\$1,594,134	\$1,139,843	71.5%
Mosquito and Termite Control	\$2,078,509	\$2,078,505	100.0%
New Orleans Museum of Art	\$151,683	\$128,931	85.0%



# Additional CDBG funds to City Planning Commission



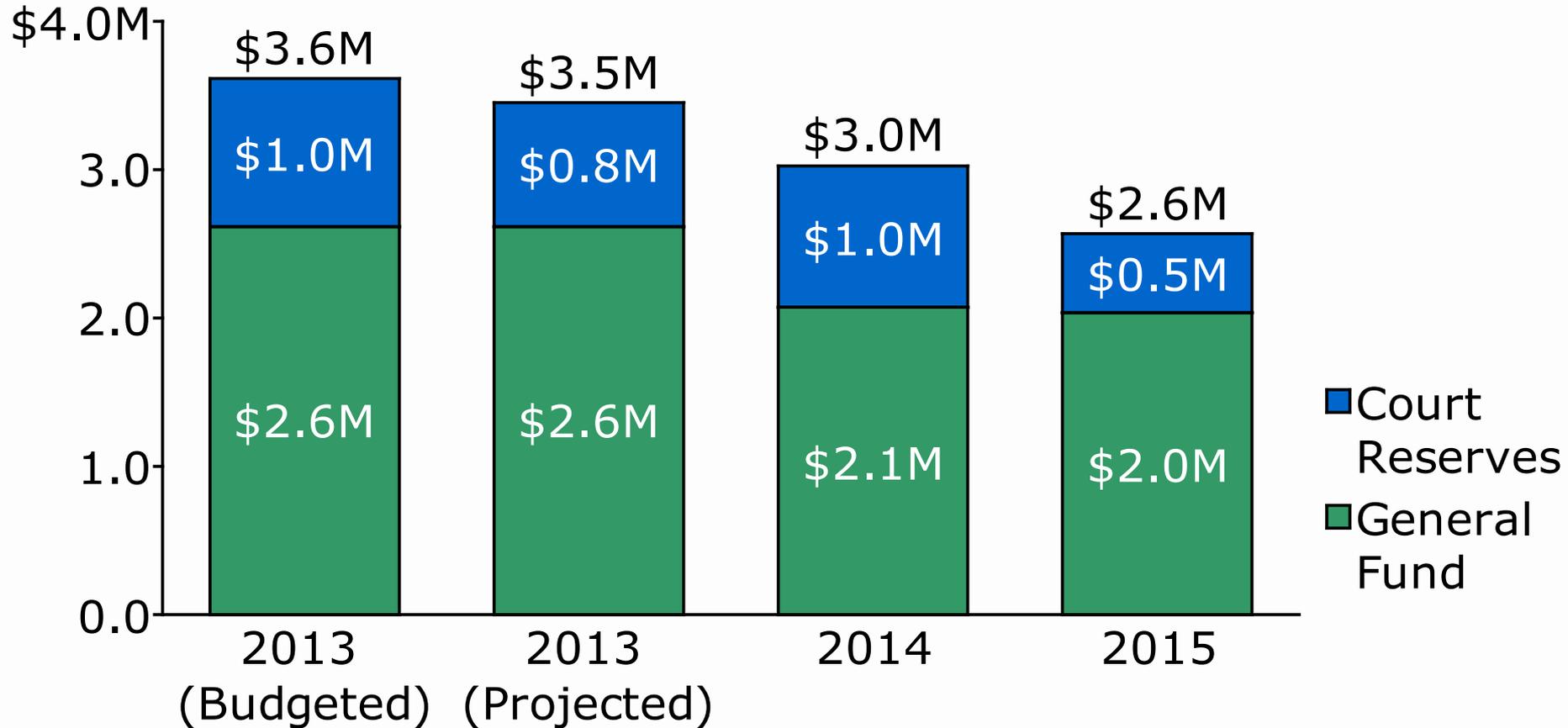
# Proposed General Fund Budget Detail

Department	2013 Amended	2014 Proposed	% of 2013 Allocation
Miscellaneous	\$20,220,979	\$23,231,177	114.9%
NORDC	\$8,333,966	\$9,231,821	110.8%
Service & Innovation*	\$501,184	\$1,089,652	217.4%
OPA	\$469,364	\$469,364	100.0%
Inspector General	\$3,685,336	\$4,212,614	114.3%
District Attorney	\$6,271,671	\$6,271,671	100.0%
Coroner's Office	\$1,669,099	\$1,781,605	106.7%
Juvenile Court	\$3,615,283	\$3,025,203	83.7%
First City Court	\$6,000	\$6,000	100.0%
Civil Court	\$14,400	\$14,400	100.0%
Municipal Court	\$1,867,343	\$2,045,894	109.6%
Traffic Court	\$389,640	\$437,587	112.3%
Criminal District Court	\$1,526,597	\$1,526,597	100.0%
Sheriff	\$22,134,388	\$22,134,338	100.0%
Clerk of Criminal District Court	\$3,726,330	\$3,726,330	100.0%
Registrar of Voters	\$383,416	\$371,945	97.0%
Judicial Retirement Fund	\$263,238	\$287,233	109.1%
<b>TOTAL</b>	<b>\$496,219,823</b>	<b>\$504,348,536</b>	<b>101.6%</b>

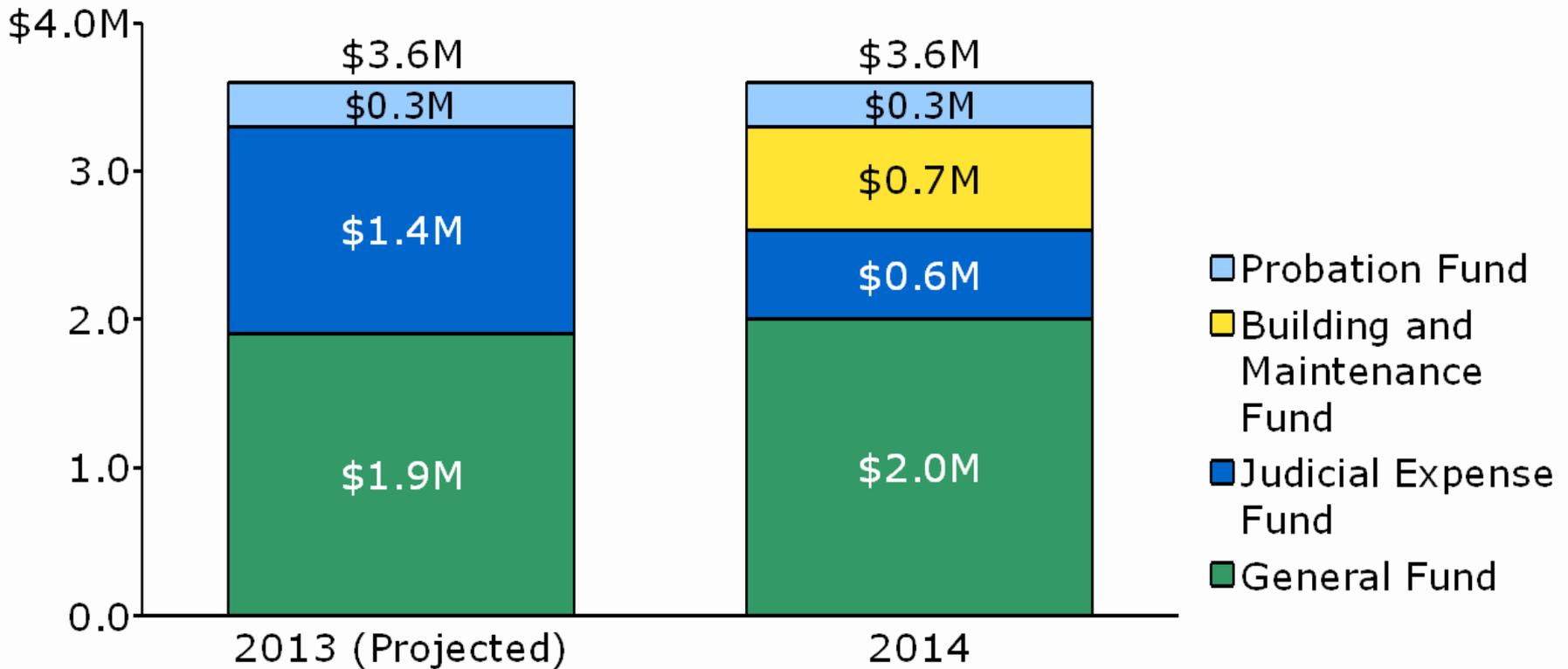
\*Service & Innovation budget was amended in August to transfer approx. \$450k in funds from CAO-ITI.



# Juvenile Court Downsizing Proposal



# Municipal Court Proposal



# 2014 Budget Presentation

- **Background**
- **2013 Results**
- **2014 Budget Challenges**
- **2014 Budget Proposal**
- **2014 Budget Highlights**



# 2014 Budget Highlights

## Public Safety

- Increased funding to recruit 150 additional officers for NOPD
- Funding for 100 new police cars and body cameras for every officer
- Funding two new civil service positions focused on NOPD Recruitment
- \$300,000 Police Recruitment Campaign
- Increased funding for NOFD (\$1.3M) and EMS (\$160k)
- Expanded NOLA FOR LIFE Initiatives (\$1.6M)
  - Raised \$3 in private support for every \$1 public support in 2013
- NOPD Consent Decree increase (\$200k)
- Increased pre-trial funding from \$484k to \$584k
- Increased Municipal Court allocation (\$178k)
- Increased public defender for racketeering case defense (\$232k)
- Additional investment in Coroner (\$112k)
- DA and Criminal District Court funded at 100% of 2013 level



# 2014 Budget Highlights

## Job Creation

- Full funding for NOLA Business Alliance
- Expand special events permitting – One Stop

## Fund Balance

- \$8.8M dedicated to City Fund Balance
  - \$4.5M to erase 2013 deficit; \$4.3M to grow Fund Balance

## Recreation

- Fully fund Joe Bartholomew golf course (\$334k)
- \$900k increase for NORD to fully fund new facilities

## Blight

- Expand Code Enforcement to speed judgments, demos and sheriff's sales (\$450k)



# 2014 Budget Highlights

## Infrastructure

- \$14.6M for Streetlights

## Sanitation

- Enhanced services in the French Quarter funded by Convention Center (\$500k)

